

General Ledger Accounting and Financial Reporting System

Accounting Services Systems and Processes
Handbook F-20A

December 2009

- A. Explanation.** An important enabling strategy in the Postal Services's Strategic Transformation Plan is to enhance financial management. This handbook describes the Postal Service data processing systems that enable the collection of comprehensive financial accounting data collection. These systems provide the Postal Service with reliable and meaningful information for management of the organization. This handbook is a complete revision of Handbook F-20A, *Accounting Service Center Accounting Guidelines*, May 1999 (revised October 10, 2001).
- B. Purpose.** Handbook F-20A, *Accounting Services Systems and Processes*, describes how the Postal Service processes financial and operational accounting data in accordance with Generally Accepted Accounting Principles (GAAP). The handbook helps systems accountants to achieve a comprehensive understanding of Postal Service accounting systems and processes.
- C. Distribution.** This handbook is being distributed electronically to systems accountants at Accounting Services in Eagan, San Mateo, and St. Louis.
- D. Availability.** Handbook F-20A is available on the Postal Service PolicyNet Web site.
1. Go to <http://blue.usps.gov>.
 2. Under "Essential Links" in the left-hand column, click *PolicyNet*.
 3. Click *HBKs*.
- E. Comments and Questions.** Address any comments and questions on the content of this handbook to:
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- F. Effective Date.** This handbook is effective December 2009.



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Overview

Introduction

Handbook F-20A, *Accounting Services Systems and Processes*, contains the following information:

- a. An overview of the function and purpose of the General Ledger Accounting and Financial Reporting System.
- b. Descriptions of the key components of the General Ledger Accounting and Financial Reporting system.
- c. A list of the key standard and specialized reports that the system generates.
- d. Descriptions of the commitment accounting and budget accounting processes.
- e. An overview of the month-end and year-end closing processes.
- f. A summary of the Postal Service's financial and operational reporting and reconciliation processes.
- g. Processes and definitions by which reconciliations of general ledger accounts and other items are performed.
- h. An overview of the financial reviews and audit functions in Accounting Services.
- i. Description of Postal Service accounting processes and money order activities.
- j. Steps that the Postal Service takes to ensure that its financial information is reliable.

Purpose

This handbook describes how Accounting Services accumulates financial data through Postal Service accounting systems and processes for financial and operational reporting.

Audience

This handbook is for Postal Service accounting employees who gather, process, and report financial information and who perform economic and qualitative analyses using this information.

Structure Overview

The structure of this manual is as follows:

- **Chapter 1, System Overview**, provides an overview of the General Ledger Accounting and Financial Reporting System.
- **Chapter 2, Subledger Systems**, describes the key Postal Service subledger accounting systems and the interface with the Corporate Data Acquisition System (CDAS).
- **Chapter 3, Corporate Data Acquisition System**, describes the processes that the CDAS performs.
- **Chapter 4, Oracle General Ledger Import**, describes the process through which subledger data and journal entries are processed within the Oracle General Ledger.
- **Chapter 5, Commitment and Budget Accounting**, explains the commitment accounting process by which commitments are defined, processed, and stored.
- **Chapter 6, Month-End and Year-End Closing Process**, explains the calendar-month accounting cycle and provides instructions for closing the government fiscal year.
- **Chapter 7, Financial and Operational Reporting**, explains how the Postal Service collects financial and operational information and extracts the information in the Accounting Data Mart.
- **Chapter 8, Reconciliation Process**, explains the processes and definitions by which reconciliations of general ledger accounts and other items are performed.
- **Chapter 9, Audit Functions**, explains how the Postal Service (1) ensures that its financial information is reliable and its assets are protected, and (2) adheres to the Generally Accepted Accounting Principles and implements proper internal control processes.
- **Chapter 10, Accounting Processes**, describes Postal Service accounting processes.
- **Chapter 11, Miscellaneous Transactions**, contains the Account Description Master File, Standard Journal Voucher Description Master File, and other miscellaneous transactions, reports and controls.
- **Appendix A, Acronyms and Abbreviations**, provides definitions of acronyms and abbreviations used in financial management.
- **Appendix B. References**, lists Postal Service and other government agencies, publications, and forms mentioned in this handbook.
- **Appendix C, Organization Charts**, provides organization charts for Postal Service Headquarters Finance and Controller organizations.
- **Appendix D, Glossary**, provides brief explanations and descriptions of accounting and financial terms, functions, and concepts.

1 System Overview

This chapter provides an overview of the General Ledger Accounting and Financial Reporting System design together with a description of key business rules, system reconciliations, and reports.

1-1 Overview

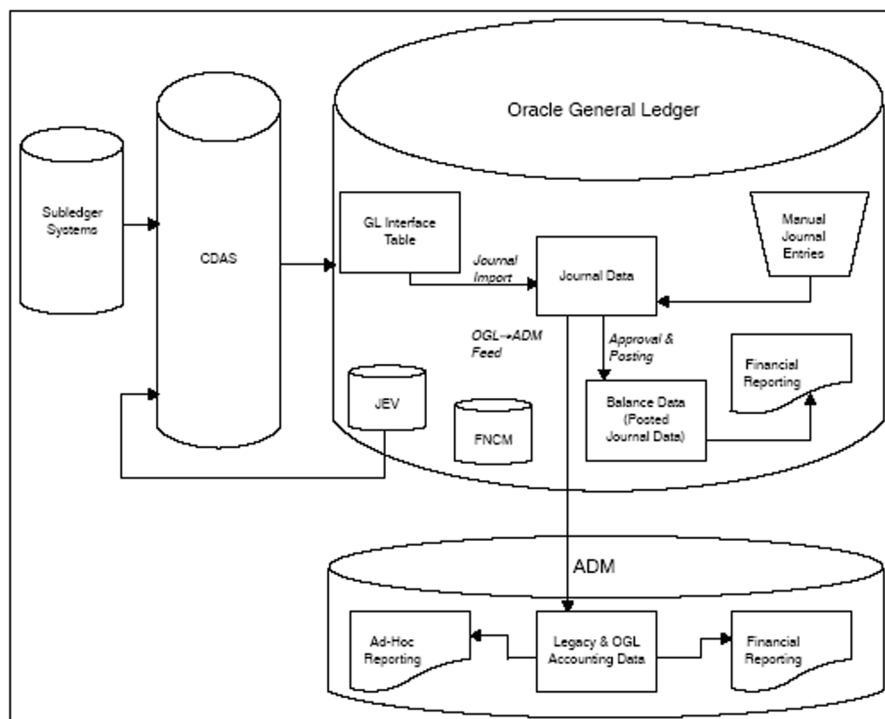
In 2003, the Postal Service™ completed Project *eaGLe* (Excellence in Accounting through the General Ledger). Through Project *eaGLe*, the Postal Service implemented a new Oracle General Ledger (OGL) component to upgrade the overall Postal Service accounting and reporting system. Within the OGL are two additional key components:

- Finance Number Control Master
- Journal Entry Vehicle (JEV).

As a result of the implementation of OGL, many accounting and reporting processes within the Postal Service accounting system were revised to optimize OGL capabilities. This section includes descriptions of the key business and technical processes that enable the OGL.

1-1.1 **General Ledger Accounting and Financial Reporting System**

The General Ledger Accounting and Financial Reporting System is a comprehensive financial accounting data collection and processing system that provides the Postal Service with reliable and meaningful information for managing the organization. A key component of the general ledger system is the OGL software. The installation of OGL significantly advanced the capabilities of the Postal Service's overall financial and reporting system.



1-1.2 Subledger Systems Feed to the OGL

Most of the accounting information processed by the General Ledger Accounting and Financial Reporting System originates from subledger (feeder) systems. The three Accounting Services locations in Eagan, MN; St. Louis, MO; and San Mateo, CA; support these subledger systems.

Subledger systems accumulate accounting data from the field (i.e., individual Post Office installations) and other accounting systems. Each location is responsible for a number of specific subledger systems. As part of that responsibility, each location manages the data flow of their respective subledger and ensures that the subledger system provides accurate data to the General Ledger Accounting and Financial Reporting System.

A core characteristic of subledger accounting is the use of a legacy account numbering system, legacy finance numbers, and labor distribution codes. This provides an information structure by which the OGL can transform, validate, and process data,

- **Legacy account numbering system** — an 8-digit account numbering system that segregates accounting data into the proper accounts for processing through OGL.
- **Legacy finance number** — a 10-digit code that correlates the accounting data with the related Post Office installation, Headquarters and management organizations, and designated projects, as follows:
 - The first two digits identify the state.
 - The next four digits represent the installation within the state.
 - The last four digits represent a unit (when applicable).

- **Labor distribution code** — a 2-digit code, used when payroll data is processed, that identifies the type of labor performed by the employee.

1-1.3 Corporate Data Acquisition System

The general ledger system uses the Corporate Data Acquisition System (CDAS) to connect the subledger accounting systems with OGL. CDAS loads the subledger files, validates and transforms data in those files, and generates target files which are loaded into the General Ledger (GL) Interface Table.

The journal import process in OGL creates journal entries by importing accounting data from the GL Interface Table that has been populated with data from the various source subledger systems via CDAS. Once the data has been mapped and validated, CDAS initiates the CDAS-to-GL Interface Table process for the data feed.

The mapping process from the legacy account information to the OGL accounts is performed within CDAS. The OGL uses a chart of accounts called an “accounting flexfield” to transform the data into a format the OGL can process. The feeder subledger systems generate the journal voucher (JV) data needed to populate the required columns in the GL Interface Table, but exclude those that can be derived from other sources.

The files may also contain nonfinancial data elements from source systems that are passed to the Accounting Data Mart (ADM) through the GL Interface Table. The “target” files facilitate journal imports into the OGL by incorporating legacy finance numbers and legacy accounts, together with the mapped Oracle Chart of Account flexfield segment values generated in the data transformation process of CDAS. In addition to basic mapping from legacy data to the OGL flexfield segments, CDAS performs other validations and transformations necessary to facilitate efficient processing of the data.

The data validations and transformations performed within CDAS derive their master data from various master data sources maintained within the OGL. The most prominent of those master data sources is the Finance Number Control Master (FNCM). The FNCM contains a number of data fields containing organizational information needed to edit and validate accounting data. The FNCM is designed to maintain stability and control of the Postal Service financial organization structure. Other master data sources include, but are not limited to the following:

- Account Number Control Master (ANCM) File.
- Standard Journal Voucher Master Table.
- Edit and Validation (payroll information) Master File.

Maintenance functions ensure that the OGL continues to produce consistent accounting and financial reporting information. Maintenance includes several important activities, such as adding new finance numbers or changing the mapping between legacy data and the accounting flexfield.

1-1.4 **Oracle General Ledger Import**

The subledger and journal entry import, approval, and posting process is a key central function of the OGL. This component of the system:

- Imports and processes the accounting data that originates through subledger systems and journal entries.
- Summarizes the data for financial reporting purposes and provides that data to the Accounting Data Mart.

Included within this process are the use of the JEV and the processing of other manual journal entries.

Accounting data from CDAS does not affect account balances until it is imported via Journal Import and then posted using an automated posting process (AutoPost) or manual posting.

When a journal is successfully posted in the OGL, the journal information for that journal is also transferred to the ADM. If the Journal Import is unsuccessful, the subledger owner whose data did not post is responsible for correcting the data and resubmitting it for processing. E-mail alerts are sent to persons who need to know about failed processes.

1-1.5 **Manual Journal Entry Processing**

The Postal Service General Ledger Accounting and Financial Reporting System includes a process for entering manual accounting journal entries into the OGL. A variety of manual journal-entry approaches can be used to process journal entries. The type of activity will determine which manual journal-entry approach to take. Some journal-entry vehicles are routed through CDAS so they will go through the CDAS edit and validation processes. Others are posted directly in the OGL.

The vehicle by which data is entered into the ledger is determined by certain factors including:

- The event that triggers the need for a journal entry (i.e., month-end close analysis and error/exception reports)
- The type of access the originator has to the general ledger and its user interfaces.

Once a journal entry has been entered into the system and has passed validation checks (either in CDAS, the GL Interface Table, or on an Oracle automated journal entry form), it is approved and posted.

Postal Service Field personnel do not have direct access to the OGL. They have direct access to JEV — but only for the purpose of processing Journal Voucher Transfers (JVT).

1-1.5.1 **Journal Entry Vehicle**

The JEV application provides a method for entering journal vouchers into the General Ledger Accounting and Financial Reporting System. The application allows users to create, save, edit, and approve or reject manual journal vouchers using legacy account numbers and finance numbers. The JEV application creates a file containing journal voucher data and makes this data available for CDAS to retrieve. CDAS validates the contents of the journal

voucher, maps the accounting data to the OGL chart of accounts, and feeds the data to the GL.

1-1.5.2 **Journal Approval and Posting**

The journal approval system maintains an audit trail capturing the name of the journal preparer, journal reviser, and journal poster data. The system:

- Requires the journal approver and poster to review credit, debit, and control totals prior to posting.
- Gives the journal approver and poster the opportunity to review all journals in detail prior to posting.
- Allows the journal approver and poster to correct identified errors in ready-to-post journals immediately.

All journals created by the JEV post automatically after approval. The preparer of the JEV journal entry retains supporting documentation.

1-1.5.3 **Commitment and Budget Accounting**

Commitment accounting is a process whereby the Postal Service tracks committed costs and expenses before the actual capital or expense charges appear in the financial statements. Along with providing useful information for internal reporting and cash management, commitment tracking is also a federal reporting requirement for the President's unified budget.

The federal reporting requirement dictates that the General Ledger Accounting and Financial Reporting System provide a vehicle to manage its commitment reporting requirements. Detailed information about commitments is only stored in the ADM, not in the OGL. Because detailed information about commitments is only stored in the ADM, all commitment reporting is performed out of the ADM.

Postal Service management is required to assemble a budget each fiscal year. The Postal Service Budget organization creates budgets using several systems. Budget components are created within the subledger systems and then consolidated to the National Budget System (NBS). NBS creates a JV file that it transfers to CDAS. CDAS then transfers the budget information received from NBS directly to the ADM. This information is never transferred to the OGL.

1-1.5.4 **Month-End and Year-End Close**

The Postal Service operates on a calendar month accounting cycle with a government fiscal year end of September 30. The month-end close process is generally a five calendar day process with the year-end process usually extended to allow for additional review and analysis. The transmission of data from subledgers is generally completed within the first 3 days of the closing process. The remaining days are spent analyzing, reconciling and closing the books, and obtaining sign-off.

Accruals are prepared for systems where the processing schedule does not match the close schedule (e.g., Payroll). These accruals are reversed as soon as the actual data is available and processed. Subsystems are unavailable during the extraction process. There is a guiding principle that the books should not be closed while there is remaining activity in suspense accounts.

1-1.5.5 **Financial and Operational Reporting**

The Postal Service uses the OGL (including its Financial Statement Generator (FSG) function) and the ADM for financial and operational reporting. Various standard, specialized, and FSG reports are generated to meet the financial reporting and operating information needs of the Postal Service. These reports are continually updated to keep pace with the Postal Service's evolving business needs. Modifications of reports are based on business reporting requirement changes. These changes are documented and communicated to the centralized report maintenance group within the Integrated Business System Solution Center (IBSSC).

A significant amount of financial reporting and all operational reporting is performed through the ADM. While the OGL has executive-level financial reporting capability, certain financial reporting is only derived from the ADM. For example, all rate case, budget, field, and capital commitment group reporting originates from the ADM. In order to accomplish this operational and financial reporting objective, all summary and detail-level data must reside in the ADM.

The summary data in the OGL should always equal the detail data in the ADM. Key reconciliation reports are generated and used to ensure that this balance is maintained. The ADM is updated daily. Data in the ADM is available 24 hours a day, 7 days a week, excluding minimal maintenance time. Once journals are posted in the OGL, a journal synchronization process transfers the journals to the ADM so that the OGL and ADM are in sync.

1-1.5.6 **Key Business Rules, System Reconciliations, and Reports**

The General Ledger Accounting and Financial Reporting System uses a group of key business rules that provide additional specific operating guidance in select areas. These key business rules promote efficient general ledger system operations. These key business rules are set forth in section [1-1.5.7](#) together with a list of key system reconciliations and reports that are prominent in the operation of the General Ledger Accounting and Financial Reporting System.

1-1.5.7 **Key Business Rules**

The key business rules of the General Ledger Accounting and Financial Reporting System are:

- Corporate Data Acquisition System.
- Finance Number Control Master.
- Oracle Value Set Maintenance.
- Manually Prepared Journal Entries.
- Prior Period Adjustments.
- Journal Voucher Transfers.
- Suspense Clearing and Other Accounting Routines.
- Commitment and Budget Accounting.
- Month and Year-End Close.
- ADM Reports.

Corporate Data Acquisition System

Subledger files that are incorrectly named, formatted, or exceeding the CDAS error threshold of 200 are automatically rejected and must be resubmitted. The subledger owner of the erroneous data is responsible for correcting the data and resubmitting it to CDAS.

Legacy accounts are mapped to Oracle Natural Accounts; finance numbers are mapped to Oracle Budget Entities. Legacy accounts and finance numbers are mapped to the Oracle Accounts until all systems can be modified to use the same Oracle chart of accounts. Multiple combinations of legacy values may map to the same Oracle account combination.

Finance Number Control Master

The FNCM application is the central point of control for maintaining finance numbers, organizational hierarchies, associated attributes, and unit information. To ensure uniformity in financial processing and reporting, all subledger systems must use FNCM or direct extracts from FNCM for the maintenance of master finance number data.

Note: Organizational structure changes to the FNCM application must be effective at the *beginning* of each month.

Default Timeout Days, the amount of time a Finance Number Approval Group (FNAG) user has to respond with a “Yes” or “No” vote before the process moves on, is set at 10 days unless changed or overridden by a gatekeeper.

Gatekeepers may override the FNCM negotiation at any time and create a finance number through the override option in the “Create New Finance Number” form.

Oracle Value Set Maintenance

Maintain Oracle value sets as follows:

- a. Do not change the “Account Type of Natural Account” values (i.e., assets, liabilities, revenue, expense) once they have been saved to the database.
- b. Do not change the “Description” of values once they are in use.
- c. Creating new values or modifying existing ones does not end with the Segment Values Form in Oracle General Ledger. Value Maintenance in Oracle must be accompanied by additional changes in the mapping tables.

Manually Prepared Journal Entries

The preparer of the journal entry maintains manual journal entry supporting documentation. The naming convention for manually prepared journal entries is as follows:

- a. Journal Voucher Number.
- b. Location (e.g., Eagan, St. Louis, San Mateo, Headquarters).
- c. Initials of Preparer.
- d. Date Entered.

Preparers must adhere to the following rules when creating manual journal entries:

- a. Manual journal entries cannot be saved or posted to a “Closed” or “Unopened” period. A manual journal entry can be entered to a period designated in Oracle as “Future,” but it will not post until that “Future” period is reached.
- b. The effective accounting date of a manual journal entry must be a calendar date within the journal’s period in the format *DD-MM-YYYY*.
- c. Manual journal entries must include an accounting transaction description for the journal voucher and for each line item within the journal voucher entered into the appropriate field. The journal voucher description will default to the line description unless overridden by the user.
- d. Manual journal entries must be authorized at the local level before they are created in the JEV application. Journal entries must be reviewed and approved after they are created in the JEV application to confirm that they are ready to be fed to CDAS.

Prior Period Adjustments

Prior period adjustments (PPAs) are processed as follows:

- a. PPAs are posted to the general ledger in the accounting month the entry is processed. The PPA must identify a “PPA Date” (the date the entry should have been originally posted) to allow the entry to be immediately reflected in that period for historical (same period last year (SPLY)) presentation purposes only. PPAs do not change the presentation of original charges/credits in the PPA month.
- b. The PPA Date cannot relate to the current month.

See an example of a PPA in section [4-2.2.1](#).

Journal Voucher Transfers

Journal voucher transfers are processed as follows:

- a. Field users are categorized by District or Area and allowed transfers only within an assigned District or Area.
- b. Entries to certain expense accounts are allowed.

Suspense Clearing and Other Accounting Routines

Subledger files with validation and mapping errors not exceeding the CDAS error threshold are mapped by CDAS to a suspense account (Account #23499) that must be cleared with journal entries utilizing the JEV application.

The suspense posting in the OGL is enabled to identify journal vouchers that are out of balance.

Accounting transactions relating to non-collectable checks, domestic mail judgments and indemnities, and miscellaneous judgments and indemnity claims (accounts 56214.000, 55321.xxx and 55311.000) are all charged to the Headquarters Corporate Accounting Finance Number (10-4390).

Valid finance numbers are required for the following:

All revenue	(4xxxx)
Expenses accounts	(5xxxx)
Accounts	26121.020, 26121.023, 26123.023, 8xxxx.003, and 8xxxx.007
Default finance number for all other accounts	0000000000

Commitment and Budget Accounting

Commitment information is summarized in the OGL as follows:

- a. The “7” series accounts are mapped to a single 7 account (Total Expense Commitments).
- b. The “8” series accounts are mapped to either 81000 (Capital Commitment Reported) or 82000 (Capital Commitments — Control).

Commitment Reporting is performed in the ADM.

Month-End and Year-End Close

An accounting month should not be closed before clearing all remaining activity in the suspense accounts.

The monthly close cycle will normally not exceed 5 calendar days. The year-end close cycle may be extended to enable additional review and analysis.

A monthly payroll accrual must be made when pay periods do not coincide with the end of the month. The accrual is reversed concurrently with the posting of the first payroll in the next month.

The government set of books closes on September 30.

ADM Reports

Variance to Plan and/or SPLY exceeding 999.9% will always be displayed as plus or minus 999.9%.

Example: Variance of 1000% or more will be displayed as plus or minus 999.9%.

1-1.5.8 **Key System Reconciliations**

The General Ledger Accounting and Financial Reporting System requires that journal voucher dollar amounts and record counts for the Subledger Systems, CDAS, OGL, and ADM must be equal (SS = CDAS = OGL = ADM).

1-1.5.8.1 **Reconciliation Reports**

To facilitate the general ledger accounting system reconciliation process, the Postal Service uses the following key reconciliation report:

- **USPS National Reconciliation Report by account (run from the OGL)** compares account totals in Oracle and the ADM by account. This report shows discrepancies between the data in Oracle and the ADM.

In addition to this report, the ADM Journal Voucher Report should be matched to the appropriate subledger reports and any discrepancies investigated.

Other key reconciliation reports that facilitate the system reconciliation process include:

- **USPS Journal Voucher Error Report** summarizes the input validation errors identified by CDAS that were processed and posted to the suspense account (Account # 23499).
- **USPS Journal Voucher Detail Error Report** summarizes the JV files rejected by CDAS that must be resubmitted by the subledger owner.

There are also key forms that have been created in Oracle to help facilitate the reconciliation process. These forms/reports are as follows:

- **View Reject File List.** All rejected files are recorded in this report.
- **View GL Interface-Detailed Error Report** enables on-line monitoring of the errors CDAS encounters while it is processing files from the subledgers.
- **JV File Control** monitors the process of files being sent from CDAS to the GL Interface Table.
- **JV Batch Control** provides detail pertaining to the transfer status of journal batches between Oracle and the ADM.
- **GL Interface History** provides a user interface to the GL Interface History Table and enables someone not having access to a database query tool to view the contents of that table.

1-1.5.8.2 Other Reports

The three types of reports within the General Ledger Accounting and Financial Reporting System are:

- **Standard Reports (Oracle)** — Oracle data only run from the OGL.
- **Specialized Reports** — Primarily legacy data run from the ADM.
- **Financial Statement Generator** — Oracle balances run from the OGL.

A list of the key reports available follows:

Standard Reports (Oracle)

The following reports are standard Oracle reports available for a range of research and analysis purposes:

- **Account Analysis Report** provides source, category, and reference information to trace transactions back to their original source.
- **Account Analysis (Subledger Detail) Report** provides a method to review details of subledger activity that has been posted to general ledger accounts. The report displays detail amounts for a specific journal source and category.
- **Chart of Accounts Inactive Accounts Report** provides a list of disabled and expired accounts for a date of interest and an account range. This report displays information to determine why particular accounts are no longer active.
- **General Ledger Report** provides journal information to trace each transaction back to its original source. General Ledger prints a separate page for each balancing segment value.
- **Journals — General Report** provides data contained in each field for journals for manually entered data or data imported to General Ledger

from other sources. This report provides the information needed to trace transactions back to the original source.

- **Trial Balance – Detail Report** provides general ledger actual account balances and activity in detail for balances and activity.

The following standard Oracle reports facilitate the review of the journal entry process:

- **Journal Batch Summary Report** provides journal entry batch transactions for a particular balancing segment and date range. This report provides information on journal batches, source, batch and posting dates, and total debits and credits. It sorts the information by journal batch within journal category.
- **Journal Entry Report** provides a method for reviewing all the activity for a given period or range of periods, balancing segment, currency, and range of accounts at the journal entry level.
- **Journal Line Report** provides all journal entries, grouped by journal entry batch, for a particular journal category, currency, and balancing segment.

Other standard Oracle reports are available for specific purposes.

Specialized Reports

Specialized reports available through the ADM are categorized into Corporate Reports and Financial Reports folders within the Shared Report/GL (eaGLe) ADM report database.

Corporate Reports are further categorized into National Trial Balance, Accounting Services and Preliminary Report folders.

Financial Reports are further categorized into Financial Performance, Labor Utilization and Workhour, and Finance Line/Account Recast folders.

Descriptions for each of these reports are available online through the Shared Reports tab in the ADM online report database. The key specialized reports are as follows:

Corporate Reports:

- **National Trial Balance:**
 - National Trial Balance
 - National Trial Balance – Salary and Benefits
 - National Consolidated Object Class
- **Resources on Order:**
 - Resources on Order Report
 - Resources on Order Report – Cash Outlay for Capital
 - Resources on Order Report – Cash Outlay for Capital – Unpaid Assets
 - Resources on Order Report – Summary
- **Statement of Revenue and Expenses:**
 - Statement of Revenue and Expenses
 - Statement of Revenue and Expenses – Summary

- **Financial Performance:**
 - Financial Performance Report — Summary
 - Financial Performance Report — FPR Line
 - Financial Performance Report — FPR Subline
 - Financial Performance Report — Workhour
- **Accounting Services**
 - Journal Voucher by Date
 - Journal Voucher
 - Journal Voucher Summary by Account
 - Federal Tax Liability Information by Journal Voucher and Pay Period
 - Fluctuation Analysis
 - Unused Finance Number
 - National General Ledger
- **Preliminary Reports:**
 - Preliminary Income Statement
 - Revenue by Category
 - Revenue by Source
 - Field Expense Detail — Personnel Expense
 - Field Expense Detail — Non Personnel Expense
 - Field Expense Detail — Total All Expense
 - Field Workhour Detail — Workhours
 - Field Workhour Detail — Overtime
 - Field Workhour Percent

Financial Reports:

- **Financial Performance:**
 - Financial Performance Report — Summary
 - Financial Performance Report — FPR Line
 - Financial Performance Report — FPR Subline
 - Financial Performance Report — Workhour
- **Labor Utilization and Workhour:**
 - Labor Utilization Report — Month
 - Labor Utilization Report — Year to Date
 - Labor Utilization Report — National Workhour Report
- **Finance Line/Account Recast:**
 - Finance Line — Account Recast — Dollars
 - Finance Line — Account Recast — Workhours

Oracle Specialized/FSG Reports

Key Oracle specialized and FSG reports include the following:

- **System Reconciliation Reports.**
- **Auditors Balance Sheet** is an FSG report that rolls up the balance sheet general ledger accounts into summary categories.
- **USPS Unused Finance Number Report** lists unused finance numbers within the OGL.

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2 Subledger Systems

This chapter briefly describes the key Postal Service subledger accounting systems and processes that collect and process detailed accounting data. This chapter also briefly describes the interface with the Corporate Data Acquisition System (CDAS) that enables the subledger accounting information to be provided to the Oracle General Ledger (OGL). CDAS is discussed in detail in Chapter 3.

2-1 Overview

The vast majority of the accounting information processed by the Postal Service General Ledger Accounting and Financial Reporting System originates from subledger (feeder) systems supported at the three Accounting Services locations. Subledger systems accumulate accounting data from the field (individual post office installations) and other source accounting systems. Each location is responsible for a number of specific subledger systems, managing the data flow of each subledger and ensuring that the system provides accurate data to the General Ledger Accounting and Financial Reporting System.

A core characteristic of subledger accounting transactions is use of the following to categorize the transactions:

- **Legacy account number** — assigned from the legacy account numbering system documented in [Handbook F-8, General Classification of Accounts](#). This is an 8-digit account numbering system that segregates accounting data into the proper legacy accounts within the legacy chart of accounts for processing through the OGL.
- **Legacy finance number** — a 10-digit code that correlates the accounting data with the related Post Office installation, as follows:
 - The first two digits identify the state.
 - The next four digits represent the installation within the state.
 - The last four digits represent a unit (when applicable), headquarters and management organizations, or designated projects.
- **Labor distribution code** — a 2-digit code used when payroll data is being processed to identify the type of labor performed by the employee.

The subledger systems generate journal files with legacy finance number and legacy account information. Each subledger system provides data to CDAS. Each subledger journal is assigned a distinct Journal Source designation. Journal Source is a data field associated with every journal in the OGL whose value describes the source system in which the journal originated. In this manner, the journal data in the OGL can be differentiated between various subledger sources.

The data from the subsystems is transferred to CDAS on a schedule reflecting the nature of the underlying data. For example, payroll data from the payroll subledger is transferred to CDAS at each pay period, while receivable data is transferred to CDAS monthly from the receivable subledger.

A subledger to the CDAS interface transmits subledger data to CDAS. This activity actually represents a number of separate interfaces, one for each subledger. Normally, these interfaces are automated; however, they may all be run on demand as the need dictates. If the interface process is designated to fix the subledger errors noted, then this interface must be initiated manually. Whenever data from a subledger is retransmitted to CDAS, the intent is to replace erroneous data that was deleted from CDAS or from the GL Interface Table prior to being posted in the OGL.

2-1.1 Subledgers With Direct Feeds to CDAS

This section describes the key subledgers that feed directly into CDAS.

2-1.1.1 Accounts Receivable System

The Accounts Receivable (AR) system accounts for and tracks the balances owed by Postal Service customers and employees.

The AR process is as follows:

Stage	Description
1	The AR system is used for deposits of miscellaneous revenues gained from activities such as: <ul style="list-style-type: none"> ■ Jury duty. ■ Military buyback. ■ Sale of waste paper.
2	The AR system interfaces with many other systems such as: <ul style="list-style-type: none"> ■ Outlease/sublease. ■ Payroll. ■ Military buyback. ■ Rail Management Information System (RMIS). ■ Customer Inquiry Claims Response System (CICRS)
3	External files are used to create accounts receivable automatically and to post cash collections for payroll deductions and OMAS transactions.
4	The system is driven by customer account numbers.
5	Invoices are mailed in accordance with rules established based on type of invoice.

Stage	Description
6	Statements are mailed on an established time frame based on type of invoice.
7	Payment demand letters are mailed as applicable for delinquent accounts based on type of customer.

The process for accounts receivable journal vouchers (JVs) is as follows:

Stage	Description
1	JVs for ARs and miscellaneous receipts are generated directly from the AR system.
2	The contra expense and liability accounts related to AR arising from payroll adjustments are journalized through the payroll system. See items with an asterisk (*) in the following table:

Journal Voucher	Description
JV 512.0	AR – Receipts – Eagan.
JV 512.3	AR – Receipts – San Mateo.
JV 512.6	AR – Receipts – St. Louis
JV 515.0	Miscellaneous receipts – Eagan
JV 515.3	Miscellaneous receipts – San Mateo
JV 515.6	Miscellaneous receipts – St. Louis
JV 740.0 (*)	Payroll AR and adjustments – 1st pay period of the month.
JV 740.2 (*)	Canceled U.S. Treasury payroll checks to be deposited – 1st pay period of the month.
JV 740.5 (*)	Payroll AR and adjustments – 2nd pay period of the month.
JV 741.0	Payroll AR and adjustments – Eagan
JV 741.3	Invoices, DR, and CR memos – San Mateo
JV 741.6	Invoices, DR, and CR memos – St. Louis
JV 742.0	Adjustments (finance charges and write-offs) – Eagan
JV 742.3	Adjustments (finance charges and write-offs) – San Mateo
JV 742.6	Adjustments (finance charges and write-offs) – St. Louis
JV 743.0	Credit memo applications – Eagan
JV 743.3	Credit memo applications – San Mateo
JV 743.6	Credit memo applications – St. Louis

The process for accounts receivable reports is as follows:

Stage	Description
1	The aged trial balance report is generated each month.
2	The report reflects: <ul style="list-style-type: none"> ■ Customer's name and account number. ■ General ledger account number. ■ Outstanding balance.
3	This report is used to reconcile journal entries, sales journal, and receipts register reports with general ledger balances.
4	JV detail and other reports can be used to analyze AR activity and perform bad-debt analysis.

For customers eligible to receive dunning notices, the process is as follows:

Stage	Description
1	Typically, terms are net 30 days.
2	Accounts not paid within the terms are considered delinquent and an automated dunning letter is sent to the debtor.
3	Accounts that remain unpaid for an additional 25 days are sent a second dunning letter.
4	Accounts that remain unpaid for an additional 30 days after the second dunning letter are sent a final dunning letter.
5	At this point, the account is flagged to be turned over to an external collection source.
6	Accounts are referred to an external collection agent.

The Postal Service has only one AR system, which is maintained by Eagan personnel, but data in the system is owned by Accounting Services. The responsibilities for AR data at each location are outlined below.

2-1.1.1.1 **Eagan**

- Create and manage accounts receivable related to payroll adjustments and other debts owed by employees.
- Create and collect Official Mail Accounting Systems (OMAS) billings.
- Miscellaneous (i.e., CONFIRM, Revenue Deficiency).

2-1.1.1.2 **St. Louis**

Create and manage accounts receivable related to:

- Accounts Payable.
- Outlease/sublease.
- Postal Money Orders (Create).
- Transportation Claims (Create).
- Contractual Services Receivables.
- Indemnity Claims (Domestic and International).

2-1.1.1.3 **San Mateo**

Create and manage accounts receivable related to:

- Accounts Payable.
- Property and/or vehicle damage by private parties.
- Uniform Allowance.
- Postal Money Orders (Service).
- Address Change Services.
- Forfeitures and seizures.
- Customer Claims & Recovery Service (CCRS).
- Transportation Claims (Service) (includes Rail Management Information Systems).
- Contractual Services.
- Treasury Offset Program (TOP).

2-1.1.2 **Automated Enrollment System**

The Automated Enrollment System (AES) charges back allocations of training costs. It transfers training costs from the Norman, OK, training center to the respective finance numbers and accounts of the business units that send individuals for training. The Payroll system records the original entries that this system allocates among the various finance numbers. This information is sent to CDAS for production of JV 840.

2-1.1.3 **National Meter Activity Tracking System**

The National Meter Activity Tracking System (NMATS) is part of the Computerized Meter Accounting and Resetting System (CMRS). CMRS permits Tracking System users of certain postage meters to reset a meter at their place of business. The CMRS postage meter is equipped with a specially designed resetting mechanism that operates with a unique user combination.

NMATS produces journals daily that record postage revenue by finance number, based on the location of the meters that downloaded postage that day. Postage is recorded as revenue on the date it is downloaded.

The amount of postage downloaded is provided daily by each meter company.

The meter companies and the JV that records their postage revenue are listed here:

Meter Company	JV Number
Data Pac	535.0
Francotyp-Postalia	536.0
Neopost	537.0
ASCom Hasler	538.0
Pitney Bowes	539.0

2-1.1.4 **Official Mail Accounting System**

OMAS collects billing data for federal government agencies authorized by law to send mail without prepayment of postage. Each year, OMAS customers pay for mailings based on an estimate of their annual postage use. At the end of the year, the amount of postage used by the customer is compared to the funds paid and settlement is made. Field Offices get credit for the revenue based on actual postage used, and the authorized agencies use data from OMAS to monitor their postage costs.

Federal government agencies submit an estimate of anticipated postage use at the beginning of each fiscal year. Based on these postage estimates, Finance Branch personnel in Eagan set up recurring monthly invoices in the AR system. These invoices are cleared through an automated process linked to the collection of funds through the Intra-Governmental Payment and Collection (IPAC) Systems. This automated process creates journal entries in the AR system.

Each day data from several sources, including PS Forms 3637-G, *Batch Header for Official Mail*, manually input by Eagan Accounting Reconciliation personnel, feeds OMAS with actual postage usage information. This

information is validated, reports are generated, and a file is sent to CDAS for production of a JV 418.0.

On the first business day of every month, IPAC receipt activity is created in the AR system based on the current month's OMAS invoice amounts due. Agencies may change their estimate of postage at any time during the year to account for significant fluctuations in actual usage from the estimate. Because estimates are used throughout the year, at the end of the fiscal year, the Postal Service settles with each federal agency in October. If money is owed to the agency, the refund is made via IPAC. If the agency still owes for postage, the money is collected via IPAC.

Agencies may monitor their postage use via reports available on the internet at <https://omas.USPS.com/>.

2-1.1.5 **Philatelic Order Program System**

The Catalog Orders interface sends journal entries to the general ledger to distribute Internet and catalogue sales revenue among postal centers (finance numbers). Daily, the Kansas City Stamp Fulfillment Services (KCSFS) Center sends a file containing sales records to CDAS through Raleigh IBSSC. This file is used to produce JV 422.0. The Philatelic Order Program System (POPS) reallocates the sales revenue to the respective Postal Service offices based on ZIP Code™.

2-1.1.6 **Printed Envelope Program**

The Printed Envelope Program (PEP) interface sends journal entries to the general ledger to distribute printed envelope sales revenue among postal centers for PEP sales to customers. Customers complete order forms and mail them to a USPS Postal Service lockbox at Citibank, which forwards the order forms to the KCSFS Center. KCSFS sends a file daily through Raleigh IBSSC to CDAS, for creation of JV 417.0. POPS reallocates the sales revenue to the respective Postal Service offices based on ZIP Code.

2-1.1.7 **Retail Sales Audit**

Standard Accounting For Retail (SAFR) collects and reports revenue and expense data related to sales, stamp inventory, and miscellaneous disbursements for all Post Offices and retail units. This information is sent to CDAS for production of JV 411.

2-1.1.8 **Selective Service**

Men between the ages of 18 and 25 are required to register with Selective Service and may do this at their local Post Office™. Selective Service pays the Postal Service for this service. Quarterly, Selective Service reports the number of registrations received. The Postal Service collects the amount due from Selective Service via IPAC each quarter. This payment is processed through the AR system.

2-1.1.9 **Stamps by Mail®**

Customers can order postage stamps via the mail using a Stamps by Mail order form. The order form is completed and mailed (or sent by e-mail) to a centralized location with each district. This centralized location uses the

Stamps by Mail program to access and update the Stamps by Mail system. The Address Management System file is used to match the ZIP Code to its respective finance number. This file is created daily by Raleigh IBBSC and forwarded to CDAS for creation of JV 424.0.

2-1.1.10 **Stamps on Consignment**

The American Bank Note Company (ABN) has a contract with the Postal Service to sell Stamps on Consignment (SOC) through ABN's agreements with retail outlets nationwide that sell postage stamps to customers. When retail sites reorder postage stamp stock from ABN, they deposit the funds collected with ABN. ABN wires funds daily to the Postal Service national account; these funds are reconciled and posted to cash accounts. Accounting Services, Eagan, records the revenue daily on PS Form 1412, *Daily Financial Report*, in eMOVES and allocates the revenue reported to the appropriate post offices based on a file received from ABN with the last month's replenishments. The allocation is recorded on JV 419.0.

2-1.1.11 **Payroll Accrual System**

The Time and Attendance System (TACS) collects information daily. Actual time and attendance data collected from the end of the last complete pay period in the month to the last calendar day in the month are run through Pay Calc to create the month-end accrual journal JV 995.0. The accrued expense and payroll liability are validated for reasonableness using a weighted allocation applied to a similar pay period. The payroll accrual is reversed when the actual payroll journal voucher is recorded in the general ledger the following month through JV 996.0.

2-1.1.12 **Payroll Adjustment System**

Payroll correction includes these topics, which are described in the following pages:

- General Payroll Corrections.
- Adjustments.
- Overpayments.
- Canceled Payroll Checks.

Payroll accounts receivable results from salary overpayments to employees or from under-withholding.

The following table describes the process for general payroll corrections:

Stage	Description
1	Employees on leave without pay (LWOP) are billed for health benefit premiums.
2	Overpayments are recorded on JV 740.0 and JV 740.5 Accounts Receivable (Payroll)-PP XX-XX.

The following is the process for adjustments:

Stage	Description
1	Adjustments are made for terminated employees and emergency situations (such as non-receipt of timecards or late notification of personnel actions).
2	Manual payments are certified separately from payroll cycle payments.
3	Employee records are updated for the following reasons: <ul style="list-style-type: none"> ■ Mandatory and optional deductions. ■ Retirement history. ■ W-2 Form tax update.
4	The standard journal vouchers assigned to manual payments are: <ul style="list-style-type: none"> ■ JV 121.4 Payroll Adjustments-PP XX-XX. ■ JV 122.4 Payroll Adjustments-PP XX-XX.

Overpayments may result from:

- Errors in payroll salaries and deductions.
- Workers' compensation cases.
- Overdrawn leave.
- Duplicate payments.
- Errors in payroll adjustments.
- Leave buyback (in compensation cases).
- Erroneous deduction for fringe benefits.

Receivables for overdrawn leave result from the Postal Service policy of advancing annual leave and then reducing this advanced balance as the employee earns annual leave hours each pay period. When an employee retires or resigns with a balance of leave used and not earned, the employee is billed for overdrawn leave.

The process for handling canceled payroll checks is as follows:

Stage	Description
1	Payroll checks are canceled in the event of error or duplication.
2	Canceled payroll checks are recorded in the Commercial Check Tracking system.
3	Canceled payroll checks are adjusted through the Adjustment Processing System.

2-1.1.13 Payroll Calculation System

The Payroll/Retirement subsystem is designed to support more than 800,000 employees by:

- Maintaining personnel history and fringe benefits records.
- Making payments to:
 - Taxing authorities.
 - Office of Personnel Management.
 - U.S. Department of the Treasury.
 - Commercial banks (Net-to-Bank and Allotments).

- Unions.
- Charities.
- Other organizations.

Total Postal Service payroll and fringe benefit expenses are approximately \$1.9 billion every 2 weeks. Pay checks are issued biweekly, but payments are calculated weekly to satisfy Fair Labor Standards Act requirements.

There are 26 pay periods in a calendar year. The 26 pay periods equate to 364 days; therefore, an extra pay period (identified as pay period 27) accrues approximately every 11 years.

Journal Voucher (JV) files are created automatically from the payroll subsystem. Expenses and liabilities **are** recorded biweekly in journals, and payments **are** made biweekly to taxing authorities, the Office of Personnel Management (OPM), and Serrco – Thrift Savings Plan (TSP)).

2-1.1.13.1 Recording Liabilities and Expenses

The process for recording liabilities and expenses is described below.

Stage	Description
1	Payroll subsystem creates JV entries for salary and fringe benefit expenses and related liabilities.
2	Biweekly paychecks are issued one week after the pay period closes.
3	Two main payroll JVs are booked each month, and related JVs are booked for adjustments. The principal payroll-related JVs are JV 121.0 and JV 122.0
4	Payroll JVs reflect the following: Payroll expense for straight time, overtime, leave, training, and other salary-related activities. Fringe benefit expense for health benefits, life insurance, annual leave, Civil Service Retirement System and Federal Employees Retirement System costs, Medicare, Federal Insurance Contributions Act (FICA), and miscellaneous fringe benefits. Accrued liabilities payable for payroll deductions and the Postal Service share (where applicable) for federal, state, and local taxes, retirement benefits, FICA, Medicare, savings bonds, charities, union dues, and flexible spending plans. Other liabilities including garnishments, tax levies, and financial organization allotments.

2-1.1.13.2 **Payment of Payroll Liabilities**

The process for payment of payroll liabilities is outlined below:

Stage	Description
1	Employee salary payments, made by check or electronic funds transfer (EFT), are recorded on JVs 121.x and 122.x.
2	Payments for payroll liabilities (excluding salary payments) paid through the Accounts Payable subsystem are recorded on the electronically generated JV 110.0, Miscellaneous Payments Made During a Month. These liabilities include: <ul style="list-style-type: none"> ■ State, city, and federal taxes. ■ FICA and Social Security obligations. ■ U.S. Treasury saving bonds sold. ■ Union dues. ■ Charitable contributions. ■ Specialized insurance payable. ■ Thrift Savings Plan. ■ Flexible Spending Account. ■ Garnishments such as tax levies and child support.
3	The Finance Branch in Eagan maintains subsidiary ledgers as well as Postal Service personnel files.
4	Payroll liability accounts are reconciled to various subsidiary ledgers.

2-1.1.13.3 **Certification and Balancing Process**

The certification and balancing process is described below:

Stage	Description
1	An entry is created to reflect cash disbursement.
2	Payroll checks are issued from two commercial banks in various locations.
3	Payroll is complete when all timekeeping information has been processed and certified for payment.

The following payroll-related JVs are used for the certification and balancing process:

Journal Voucher	Description
JV 120.0	Loaned, Transferred, Training Activity — PP XX-XX.
JV 120.5	Severance and Retirement Adjustments — PP XX-XX.
JV 121.0	Payroll Expenses and Related Liabilities — PP XX-XX.
JV 121.4	Payroll Manual Payment — PP XX-XX. (Additional payments made where employees could not be paid other than through manual processing —TCP.)
JV 121.5	Severance and Retirement Adjustments — PP XX-XX.
JV 122.0	Payroll Expenses and Related Liabilities — PP XX-XX.
JV 122.4	Payroll Manual Payments — PP XX-XX. (Additional payments made where employees could not be paid other than through manual processing —TCP.)

Journal Voucher	Description
JV 122.5	Severance and Retirement Adjustments — PP XX-XX.
JV 123.0	Payroll Expenses and Related Liabilities — PP XX-XX.
JV 123.5	Severance and Retirement Adjustments — PP XX-XX.
JV 123.4	Payroll Manual Payments — PP XX-XX. (Additional payments made where employees could not be paid other than through manual processing —TCP.)
JV 125.0	Loaned, Transferred, Training Activity — PP XX-XX.
JV 126.0	Loaned, Transferred, Training Activity — PP XX-XX.
JV 128.0	Immediate Prior Year Loaned, Transferred, Training Activity — PP XX-XX.
JV 129.0	Immediate Prior Year Loaned, Transferred, Training Activity — PP XX-XX.
JV 260.0	Accrued Salary and Leave of Deceased Employees — PP XX-XX. (Payments to deceased and former employees made through the Accounts Payable subsystem because certain legal documents are required from beneficiaries or estates before payments may be made.)
JV 260.5	Accrued Salary and Leave of Deceased Employees — PP XX-XX.
JV 260.8	Accrued Salary and Leave of Deceased Employees — PP XX-XX.
JV 261.0	Accrued Salary and Leave Back Pay Awards. (Back pay awarded to employees for administrative errors and other payroll-related settlements adjudicated by the accounts payable sections.)
JV 730.0	Payroll Savings Bonds withheld funds PP XX-XX. (Manually prepared JV reflecting movement from a bond-deduction account to a bond-issued account.)
JV 730.5	Payroll Savings Bonds withheld funds PP XX-XX. (Manually prepared JV reflecting movement from a bond-deduction account to a bond-issued account.)
JV 740.0	Accounts Receivable (Payroll) — PP XX-XX (Payroll receivables resulting from erroneous overpayments in salaries, and payment for unearned [advanced] annual leave for terminated employees.)
JV 740.3	Accounts Receivable (Payroll) — PP XX-XX.
JV 740.4	Union Official Receivables — PP XX-XX.
JV 740.5	Accounts Receivable (Payroll) — PP XX-XX.
JV 740.6	Union Official Receivable — PP XX-XX.
JV 740.9	Union Official Receivable — PP XX-XX.

PP XX-XX is the pay period and year.

2-1.1.14 **Payroll Compliance**

Federal, state, local, Medicare, and Social Security taxes are paid according to guidelines set by the taxing authorities. These deductions are processed through the payroll calculation system. This information is mechanically captured and scheduled through the Sage Software System, and payments are mechanically entered into the Eagan Accounts Payable System (EAPS). The Postal Service reconciles tax payments and tax liability quarterly and annually through the Internal Revenue Service (IRS) Form 941 process for federal taxes, Social Security taxes, and Medicare taxes withheld. A Financial Processing employee reviews system-generated reports, including

relocation report and Sage reports, summarizing the payments during the quarter. For fourth-quarter reporting, the Financial Processing employee reconciles all 4 quarters to the W-2s that are produced. IRS Form 941, *Employer's Quarterly Federal Tax Return*, and IRS Form 941-X, *Adjusted Employer's Quarterly Federal Tax Return or Claim for Refund*, are filed with the IRS based on an established timeline.

Depending on the state or locality, quarterly report filing may be necessary, but all taxing authorities require an annual report to be filed. A Financial Processing employee reviews system-generated reports and Sage reports, listing the payments made to the taxing authority throughout the quarter or year. A tax form from the taxing authority is completed, and if the report is for the fourth quarter, W-2s are submitted to the taxing entity.

Payments to OPM are made biweekly and are due on the pay date. The payment consists of health insurance, retirement, and life insurance. This payment includes both the employee's share (deduction) and the employer's share (benefit). IBSSC creates a detailed file that is sent to OPM. A Financial Processing employee creates a Standard Form (SF) 2812, *Journal Voucher and Report of Withholdings and Contributions for Health Benefits, Group Life Insurance, and Civil Service*, from mechanically generated payroll reports. During each payroll week, a Financial Processing employee creates a summary file using the information obtained from the SF 2812. The Financial Processing employee uploads that file at the OPM Web site through the Retirement and Insurance Transfer System. If the detail file and summary file information match, OPM will confirm the file and withdraw the money from the Postal Service account on Friday, payday. If the files do not match, OPM will default to the payment amount from the previous pay period and then perform reconciliation. Once the files are corrected, OPM will reimburse the Postal Service for the amount previously withdrawn and then withdraw the correct amount.

2-1.1.15 **Eagan Accounts Payable System**

Payments for payroll payables (excluding salary payments) are made through EAPS. These liabilities include:

- a. **State and city taxes** — mechanical.
- b. **U.S. Treasury savings bonds sold** — automated interface.
- c. **Union dues** — manual.
- d. **Charitable contributions** — automated interface.
- e. **Specialized insurance payables** — automated interface.
- f. **Tax levies** — automated interface.
- g. **Back pay (including interest calculation)** — manual.
- h. **Other agency indebtedness** — automated interface.
- i. **Commuter benefit** — automated interface.
- j. **PO indebtedness** — automated interface.
- k. **Child support (including administrative fees)** — automated interface.
- l. **Garnishments** — automated interface.
- m. **Death Claims** — manual.

- n. **Board of Governors payments** — manual.
- o. **Awards** — mechanical through e-Awards and manual.
- p. **Nurse/ADP contractors** — manual into eAwards, automated payment.
- q. **Long-term details** — manual into eAwards, automated payment.
- r. **Settlements** — manual.
- s. **Attorneys' fees** — manual.

The automated interface processes are e-Awards and payroll calculation.

Data processed through EAPS goes through a series of edits, including a comparison to the vendor master file and account validation. EAPS creates an output file to create checks and Automated Clearing House (ACH) payments. The system also maintains payable history information and provides detail and balancing reports.

An Adjustment Processing System file is created if the payment, such as an award, needs to update the employee earnings/W-2 statement.

Payments are made via paper check or Electronic Funds Transfer (EFT). All payments are validated by a Financial Processing employee and certified. After certification, the Disbursement Branch is notified via certification form that the commercial checks can be released for mailing on the current day. Another employee in the Financial Processing Group is notified to release the EFTs for the day via certification form.

At the end of the month, JV 110.0 file is produced by CDAS to be processed to GL.

Note: EFT payments are made outside of EAPS.

2-1.1.16 **Payroll Time and Attendance Collection System**

The process for TACS is described below.

Stage	Description
1	Time and attendance are electronically recorded by TACS.
2	Time and attendance are recorded and calculated on a weekly basis, but salary checks are issued every 2 weeks.
3	Electronic timekeeping information is gathered and forwarded weekly via TACS to mainframe computers at the Eagan Host Computing Center.
4	Payroll is calculated, generated, balanced, and certified for payment.
5	Journal entries are passed to the ADM via CDAS and OGL.

2-1.1.17 **Relocation Payment System**

Travel expenses for employee moves are processed by an external vendor. An expense file is provided for booking expenses to the general ledger. Journalized payable and expense totals are balanced to a control report. Eagan's Finance Branch reconciles the tax liability created by Relocation transactions through the quarterly IRS Form 941 process (see [2-1.1.14](#), Payroll Compliance).

2-1.1.18 Workers' Compensation Process

The workers' compensation interface allocates Postal Service costs for workers' compensation to the respective centers having personnel receiving such benefits. All workers' compensation chargebacks are received from the Department of Labor. This information is sent to CDAS for production of JV 794.

2-1.1.19 General Services Administration Process

FEDSTRIP: FEDSTRIP is a General Services Administration (GSA) system used by federal government agencies to process requisitions for supplies and services from GSA. The Postal Service receives a monthly FEDSTRIP file that identifies the finance number to which costs for goods and services are to be charged.

GSA Telephone: GSA submits a monthly file that contains telephone services received under the GSA contract. Expenses are allocated to the finance number included in the GSA file.

GSA Facility Rental: GSA submits a monthly file that contains facility rental transactions conducted under the GSA contract. Expenses are allocated to the finance number included in the GSA file.

Homeland Security Charges: GSA submits a monthly bill for security provided to Postal Service tenants in GSA buildings.

2-1.1.20 Government Printing Office Process

The Government Printing Office (GPO) — External subledger system records the amounts billed by the GPO for services.

2-1.1.21 Material Distribution Inventory Management System

The Material Distribution Inventory Management System (MDIMS) tracks Postal Service inventory items. It accounts for purchases, usage, disposals, returns, and adjustments. This system, located in Topeka, KS, adjusts the physical inventory at year-end.

2-1.1.22 Lease Payment System

The Lease Payment System is the Accounts Payable feeder system for facility lease payments. Lease payment schedules created in the web-based Facilities Management System (eFMS) are extracted, and interface files are generated for creating vendor maintenance and payment requests in Accounts Payable. This system is a scheduled mainframe batch process with no direct user interaction.

2-1.1.23 Project Financial System

The Project Financial System (PFS) is the Accounts Payable feeder system for Facilities-related building projects. Project funding transactions (e.g., authorizations, commitments, payments, closeouts) created in eFMS are extracted and interface files are generated for journal vouchers in the general ledger. In addition, Accounts Payable payment invoice requests are created. Contractors being paid are vendors that have contracts with the Postal Service for new construction, repairs, and alterations to facilities owned and leased by the Postal Service, or contracts for the purchase of real

property (e.g., buildings, land). This system is a scheduled mainframe batch process with no direct user interaction.

2-1.1.24 Facilities Management System/Real Property System

The eFMS application provides Postal Management Service users with support for the following real estate system activities:

- Acquisition and disposal.
- Project management for new construction or repair and alteration of Postal Service facilities.
- Work order generation,
- Management of design and construction projects.
- Real estate-related contracts and services.
- Lease management.
- Administration of tax payments.

The eFMS database provides one of the official records of Postal Service real property holdings. Finance’s Real Property Management System, a subsystem of eFMS, maintains real property asset valuations for the Postal Service. Facilities (Headquarters) and area and district personnel use eFMS.

2-1.1.25 Project Control Tracking System

The Project Control Tracking System (PCTS) interface creates and sends an allocation journal entry to CDAS. The journal entry allocates Information Technology (IT) project costs for system development to other Postal Service organizations that are IT customers. PCTS information is sent to CDAS for production of JV 127.0.

2-1.1.26 Property Equipment Accounting System

The Property Equipment Accounting System (PEAS) accounts for personal property owned by the Postal Service. PEAS records purchases, transfers, adjustments, disposals, retirements, and depreciation; it is also used to track major Construction-in-Progress (CIP) projects.

This table shows responsibilities for Postal Service accounts by location:

Location	Responsibility
St. Louis, MO	<ul style="list-style-type: none"> ■ Maintains accounting for real property, capital leases, and accumulated depreciation. ■ Receives and maintains all real property records. ■ Maintains subsystems for control and accountability of all real property, capital leases, and leasehold improvements. These subsystems do the following: <ul style="list-style-type: none"> – Record the purchase and disposal of real property. – Maintain updated asset records. ■ Computes and records depreciation and amortization for real property, leasehold improvements, and capital leases.

Location	Responsibility
San Mateo, CA	<ul style="list-style-type: none"> ■ Pays for all depreciable asset purchases. ■ Maintains accounting for personal property equipment and related accumulated depreciation. ■ Compiles and maintains records for acquisition and adjustments for personal property assets. ■ Maintains subsystem for control and accountability of personal property equipment, both capital assets and CIP assets. This subsystem performs the following: <ol style="list-style-type: none"> 1. Records the purchase and disposal of personal property. 2. Maintains updated asset records. 3. Computes and records depreciation. 4. Records adjustments reported as a result of physical inventories taken and audits performed.

The following journal vouchers are used to record property and depreciation:

Journal Voucher	Description
St. Louis, MO	
JV 224.0	CIP Property — Commitment of Building Projects (capital or expense)
JV 714.0	CIP Property — Authorization and De-authorization of Building Projects (capital or expense)
JV 721.0	Transfer of building improvements from work-in-progress to asset accounts
JV 722.0	CIP Property — Capital /Expense Construction Payments
JV 725.0	CIP Interest Capitalization — Ongoing Projects, Interest Added to Project Monthly
JV 726.0	Transfer of building improvement projects to leasehold asset account
JV 727.0	Capitalization of interest expense
JV 732.0	New Asset Additions of Personal Property and Capital Lease
JV 732.1	Liability Reduction of Capital Lease
JV 732.2	Asset Amortization of Capital Leases
JV 732.4	Asset termination of Capital Leases
JV 762.0	Monthly Depreciation of Postal Owned Buildings
JV 763.0	Amortization of leasehold improvement
JV 766.0	Leasehold termination write-offs
JV 766.1	Leasehold amortization adjustments
JV 771.5	Sale or partial sale of real property

Journal Voucher	Description
San Mateo, CA	
JV 732.0	New Asset Additions of Personal Property
JV 732.2	Depreciation expense on personal property equipment
JV 732.3	Adjustments to personal property assets
JV 732.4	Retirement of personal property assets
JV 733.0	Construction-in-Progress (CIP) Additions
JV 733.1	Construction-in-Progress (CIP) Adjustments
JV 733.2	Construction-in-Progress (CIP) Transfers
JV 733.3	Construction-in-Progress (CIP) Retirements
JV 733.4	Construction-in-Progress (CIP) Reclassification
JV 773.0	Personal property transfers
JV 778.0	Personal Property Asset Reclassification

2-1.1.27 **Vehicle Management Accounting System**

The Vehicle Management Accounting System (VMAS) accounts for the operation, repair, and maintenance costs of service vehicles owned by the Postal Service.

This system includes the following:

- Motor Vehicle Parts and Fuel Supplies.

The “motor vehicle parts and fuel supplies” category includes all the expenses incurred to keep the vehicles in operation, including gas, oil, repairs (including the cost of labor), and parts.

Vehicle Maintenance Facilities (VMFs) submit data to Accounting Services, San Mateo, for processing.

2-1.1.27.1 **Motor Vehicle Journal Vouchers**

The VMAS process of accounting for receipts and issues of parts, fuel, and assets is described below:

Stage	Description
1	Accounting Services, San Mateo, maintains vehicle asset contracts and payments in the Headquarters Payables Section.
2	Accounting Services, San Mateo, makes payments for motor vehicle parts, fuel, labor costs, and minor local vehicle asset purchases.
3	Supply centers issue motor vehicle parts and supplies to the VMFs.
4	Each VMF accounts for its receipts, issues, labor costs, and disposition of vehicles.
5	VMF data is transmitted to Accounting Services, San Mateo, from computer-generated journal entries, and the resulting reports are reconciled to the general ledger.

The following journal vouchers are provided by the VMAS for parts and fuel:

Journal Voucher	Description
JV 751.0	Gasoline and motor oil issued
JV 752.0	Motor vehicle parts and materials issued
JV 753.0	Motor vehicle parts and materials transferred
JV 757.0	Vehicle hire expense for gas and oil
JV 757.2	Vehicle hire expense (emergency repair by VMF)
JV 758.0	Motor vehicle accident repair

2-1.1.27.2 **Oracle Fixed Assets – Vehicle**

Oracle Fixed Assets – Vehicle accounts for assets owned by the Postal Service. It records purchases, transfers, adjustments, disposals, retirements, and depreciation.

Motor vehicle assets are depreciated monthly on a straight-line basis, accounted for, and reconciled to the net book value.

Accounting Services, San Mateo, performs the following for Postal Service vehicle accounts:

- Pays for all depreciable vehicle asset purchases.
- Maintains accounting for vehicle assets and related accumulated depreciation.
- Compiles and maintains records for acquisition of and adjustments to vehicle assets.
- Maintains subsystem for control and accountability of vehicle assets and auxiliary equipment. This subsystem performs the following:
 - Records the purchase and disposal of vehicles.
 - Maintains updated asset records.
 - Computes and records depreciation.
- Records adjustments reported as a result of physical inventories taken and audits performed.

The following journal vouchers are used to record vehicle assets and depreciation:

Journal Voucher	Description
JV 732.0	Additions of new vehicle assets
JV 732.2	Depreciation expense on vehicle assets
JV 732.3	Adjustments to vehicle assets
JV 732.4	Retirement of vehicle assets
JV 732.5	Revaluation of vehicle assets
JV 732.6	Depreciation adjustments of vehicle assets
JV 732.8	Deferred depreciation of vehicle assets
JV 773.0	Vehicle assets transfers
JV 778.0	Vehicle assets reclassification
JV 734.2	Vehicle assets adjustments (Manual JV)
JV 784.2	Freight re-class (Manual JV)
JV 796.5	Prior period adjustments (Manual JV)

2-1.1.27.3 **Subsidiary Ledgers**

The subsidiary ledgers for VMAS consist of the parts and fuel supplies and include accounts payable for motor vehicle activities. As for the vehicle assets, the subsidiary ledger is from **Oracle Fixed Assets – Vehicle**.

The process for subsidiary ledgers is as follows:

Stage	Description
1	Motor vehicle cost reports are generated from these systems and are furnished to Headquarters Vehicle Operations, VMFs, and area offices.
2	Reconciliations of the motor vehicle accounts to the subsidiary ledgers are maintained in San Mateo's Motor Vehicle Accounting Section.

Subsidiary ledgers include these topics, which are described on the following pages:

- Motor Vehicle Assets.
- Motor Vehicle Parts and Fuel Supplies.

Motor Vehicle Assets

Motor vehicles are purchased in bulk by the Philadelphia Category Management Center and are issued to the field as required.

Occasionally, local vehicle purchases are made through area purchasing offices.

San Mateo is the focal point for Headquarters vehicle procurement.

Motor Vehicle Parts and Fuel Supplies

Motor vehicle parts, fuel, and oil are supplies needed to maintain and service vehicles.

The VMFs maintain an inventory of motor vehicle parts and supplies and keep records of issues, transfers, and the disposition of other supplies and parts.

Purchases from the Material Distribution Center

Motor vehicle parts and fuel supplies are purchased from or requisitioned through MDC as described in the following table:

Stage	Description
1	Receiving reports are sent to the appropriate VMFs.
2	Chargeable payments are made at Accounting Services, San Mateo.
3	MDC issues motor vehicle parts and charges the appropriate VMFs; and Submits receipts, issues, sales, transfers, and accountabilities to Accounting Services, San Mateo, by VMF micro-computer transmissions.
4	Reports are created, and the subsidiary ledgers are compared to the motor vehicle parts account balances.
5	Reports and subsidiary ledgers must be reconciled to the general ledger each month.
6	Costs for vehicle parts purchased from vendors other than those under National Ordering Agreements appear in general ledger A/C 52150.000. Shipping charges for these parts are included in this account.
7	Shipping charges are not considered part of the vehicle part costs. Each VMF must isolate the shipping charges and ask the district office to transfer these costs to A/C 52155 on a monthly basis, using the Journal Voucher Transfer System.

2-1.1.28 Journal Entry Voucher

The Journal Entry Voucher (JEV) application is the primary vehicle for entering manual journal vouchers related to accounting transactions, accruals, and adjustments.

Manual journal entries are normally entered through JEV. Large manual entries (usually more than 200 lines) are entered via an upload utility. This utility uploads a text file in JEV format and processes the journal through the same process that JEV uses to verify the journal. These checks include data verification on each field as well as the CDAS rules. Once verified, these journals are loaded to the same table as all JEV journals for upload to OGL. The upload process requires two employees: one to upload and verify and another to approve the journal before it goes to OGL.

2-1.1.29 Other: National Budget System

The Postal Service uses data from several separate subledger systems to build the budget. These systems include eFMS, Client Funding Agreement System, Corporate Planning System, and National Budget System (NBS). Budget and budget components are created within the subledger systems and then consolidated to NBS. NBS creates a file for transmission to CDAS.

2-1.1.30 **Subledger File Names**

The subledger systems generate files with legacy finance numbers and legacy accounts. Each subledger system that sends data to CDAS is assigned a different Journal Source when that data is transmitted to the GL Interface Table. Journal Source is a data field associated with every journal in OGL whose value describes the source system in which the journal originated. In this manner, the journal data in the general ledger can be differentiated between various subledger sources.

The assigned file names are made up of four segments, as follows:

- The first contains a four-character field that contains the predefined source name.
- The second contains a twenty-character name.
- The third is the date (MMDDYY),
- The fourth is the time (HHMMSS) of processing.

Valid file names and JV numbers are maintained in the OGL Interface Tables by systems accountants in Eagan.

2-1.1.31 **The Subledger-to-CDAS Interface Process**

The subledger-to-CDAS interface transmits subledger data to CDAS. This activity actually represents a number of separate interfaces, one for each subledger, that run according to different schedules.

Although these interfaces are automated, they may all be run on demand when necessary. Generally, interfaces that feed CDAS do not have the capability to retransmit data automatically. If the data transmission process is required as a result of subledger errors, then the interface is initiated manually and must use the proper parameters with respect to time frame. Generally, this will be a retransmission of corrected data. Whenever data from a subledger is retransmitted to CDAS, the intent is to replace erroneous data that was deleted from CDAS or from the GL Interface Table prior to being posted.

2-1.1.31.1 **CDAS Subledger Errors**

When CDAS receives data from each subledger feed, it performs a number of validations and mappings to each piece of legacy data. An error threshold is established that enables CDAS to determine whether the subledger will be rejected or accepted for transmission to the GL Interface Table. When invalid data for a subledger exceeds the CDAS error threshold, CDAS does not transmit the data to the GL Interface Table for importing, and the data is deleted. CDAS sends a notification to the HQ/Accounting Services staff and the appropriate subledger owner that the error threshold for a particular data feed has been exceeded. The nature, content, and intent of this notification is very similar to the Alerts performed within OGL (See Chapter 4, Oracle General Ledger Import, for more information on the alerts process within OGL).

The subledger owner whose data is erroneous is responsible for correcting the data. For data which does not exceed the error threshold limits, corrections are generally made through JEV.

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3 Corporate Data Acquisition System

This chapter introduces the processes performed by the Corporate Data Acquisition System (CDAS) and provides information related to other processes that affect CDAS. This chapter includes the following topics:

- Transformations and Validations Performed in CDAS.
- Finance Number Control Master.
- Other Master Data Sources.
- Maintenance.

3-1 Overview

The General Ledger Accounting and Financial Reporting system uses CDAS to interface the subledger accounting systems with the Oracle General Ledger (OGL). The overall purpose of CDAS is to standardize the journal import process from source systems to the OGL and the Accounting Data Mart (ADM).

CDAS loads the subledger files, validates and transforms data in those files, and generates target files which are loaded into the GL Interface Table. The journal import process in the OGL creates journal entries by importing accounting data from the GL Interface Table which has been populated with data from the various source subledger systems via CDAS. Once the data has been mapped and validated, CDAS initiates the CDAS-to-GL interface process for the data feed. The mapping process from the legacy account information to the OGL accounts uses an OGL account structure termed an “accounting flexfield.”

An error threshold is established within CDAS to determine whether the data being processed will be allowed to flow through to the OGL. The preferred corrective course of action is for the errors to be corrected in the source system and the data resubmitted to CDAS.

The feeder systems generate files that include fields needed to generate the required columns in the GL Interface Table. The files may also contain non-finance data elements from source systems that are passed to the ADM through the GL Interface Table. The “target” files facilitate journal import into the OGL by incorporating legacy finance number and legacy accounts within, as well as the mapped Oracle Chart of Account flexfield segment values generated in the data transformation process of CDAS.

In addition to basic mapping from legacy data to the OGL flexfield segments, CDAS performs other validations and transformations. The data validations

and transformations performed within CDAS derive their master data from various master data sources maintained within the OGL.

The Maintenance function ensures that the OGL continues to meet the accounting and financial reporting needs of the Postal Service. Maintenance includes several important activities such as adding new finance numbers and accounts or changing the mapping between legacy data and the accounting flexfield.

Performing maintenance to support business changes or correct errors affecting the OGL requires system approval. After maintenance is performed, it is followed by additional activities in areas that may be affected by the maintenance. Communicating the maintenance resolution to appropriate parties is an important part of the overall maintenance process. Maintenance changes flow through to all affected systems automatically. Scheduled feeds, designed to minimize “timing” errors, are used. Timing errors occur when one element of the accounting system is aware of maintenance changes and others are not.

3-1.1 Transformation Rules and Validation Processes

When CDAS receives data from each subledger feed, it performs a number of validations and mappings for each piece of legacy data. These transformation and validation actions include the following:

- Validate journal voucher file name and obtain journal voucher source.
- Validate format.
- Validate journal voucher number and obtain journal voucher category.
- Validate accounting date.
- Validate prior period adjustment (PPA) date.
- Validate legacy account number and assign oracle natural account number.
- Validate finance number and assign budget entity.
- Validate labor distribution code (LDC) and assign function.

The account structure designed within OGL, the accounting flexfield, comprises the following segments:

- Legal Entity (2 characters).
- Budget Entity (6 characters).
- Natural Account (5 characters).
- Function (4 characters).
- Future Use 1 (4 characters).
- Future Use 2 (4 characters).

Within the legacy-to-Oracle mapping process, the finance number defines the budget entity mapping, and the legacy account number defines the natural account mapping. The function and future use segments were designed for future functionality. The legal entity segment is currently limited to a single designation.

An error threshold is established within CDAS to determine whether the data being processed will be allowed to flow through to the OGL. The error

threshold is determined based on a determination of what is manageable and reevaluated periodically to ensure that it is set at an appropriate level. If the quantity of errors present in a data feed exceeds the error threshold, CDAS generates a Suspense Mapping Report. In each instance where CDAS is forced to map a legacy account number and finance number to a suspense account, the report reflects the error in the legacy account number and finance number, the source system, and a timestamp for when the attempt to map the values was made. This report is available for viewing by headquarters and Accounting Services staff as well as by subledger owners.

The subledger owner is responsible for investigating and resolving any errors. The error threshold check is performed to limit journal errors in files sent to the OGL. The course of action is to correct the identified errors in the source system and resubmit the data to CDAS.

A journal voucher file matrix summarizes the source file descriptions and layouts so that CDAS can perform data transformation accordingly. Target journal voucher files are created and designed to facilitate journal import into the OGL. They contain not only finance number and legacy account numbers in the source journal voucher files, but also Oracle Chart of Account segment values, which are generated in the data transformation process of CDAS.

Numerous mapping and validation files exist in CDAS to support the transformation process. These mapping and validation files enable the OGL to perform its role in the overall accounting system by supplying additional information, providing a way to transform legacy account information to the OGL accounts structure, providing a mechanism for performing edit checks, and other related purposes.

3-1.2 Key Mapping and Validation Files

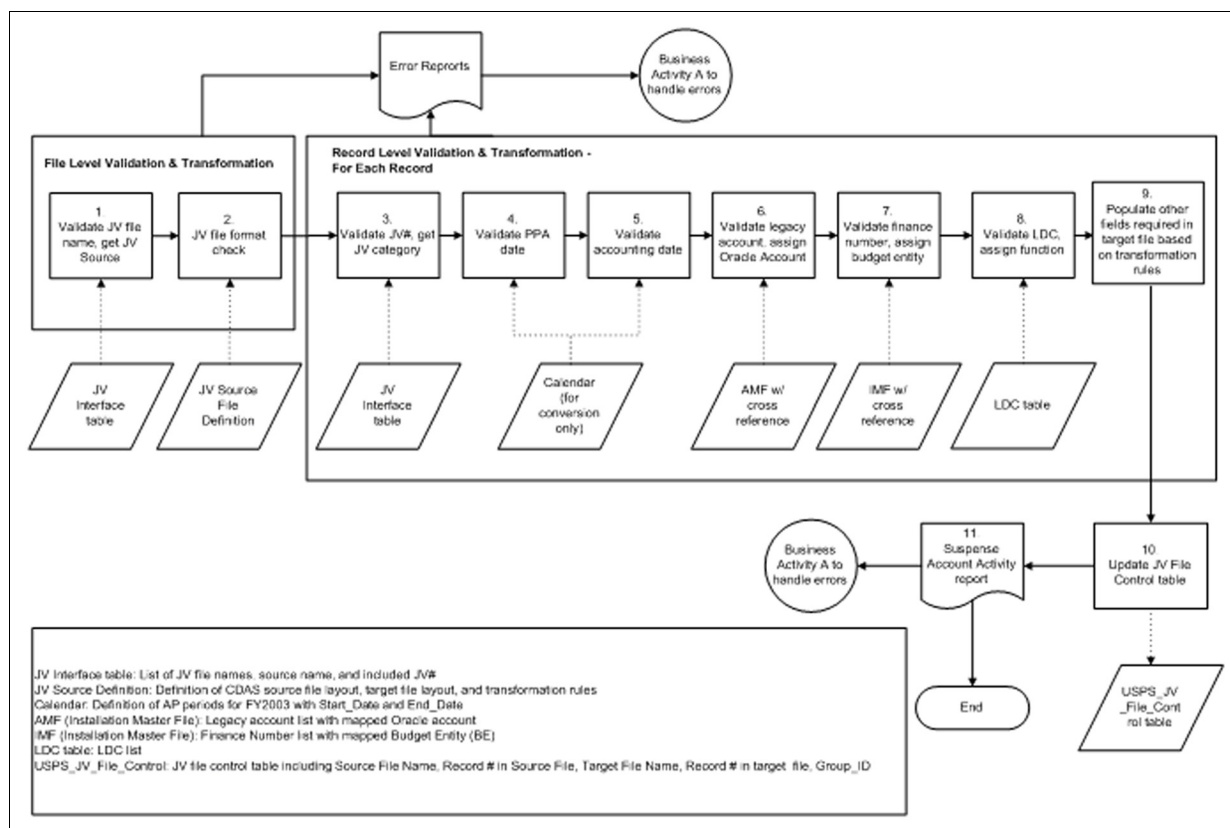
The key mapping and validation files, together with a brief description of their purpose, are described in the following chart.

File Name	File Description
gl_budget_versions.csv	Contains data for CDAS to confirm the budget version.
xxgl_jv_number_t.csv	Contains a list of all valid JV numbers.
xxgl_legacy_finance_mapping_t.csv	Validates and maps the 10-digit finance number to a 6-digit Oracle budget entity.
gl_period_statuses.csv	Validates what periods are open in the GL.
xxgl_ldc.csv	Validates the LDC codes.
xxgl_legacy_oracle_mapping.csv	Validates and maps the 8-digit legacy account number to the 5-digit OGL flexfield account number.
xxgl_account_bs_excep_t.csv	Contains a list of balance sheet account numbers that bypass the defaulting of finance numbers and budget entities to all 0s.
xxgl_ldc_fpr_t.csv	Maps the LDC code to the FPR line number.

File Name	File Description
xxgl_fpr_oracle_mapping.csv	Maps the FPR line number to the Oracle account number for the budget file.
xxgl_legacy_account_change_t.csv	Changes the legacy account number before validation.
xxgl_jv_interface_t.csv	Contains a list of valid file names that the GL will accept.
xxgl_legacy_finance_change_t.csv	Contains a list of finance numbers that should be changed before the validation.

3-2 CDAS Data Validation and Transformation Process

The following chart illustrates the data validation and transformation process that is performed by CDAS.



As illustrated on the chart above, an alert is sent to the subledger staff and Accounting Services, Eagan, when a file is rejected. The appropriate subledger owner investigates and resolves errors in accordance with established desk procedures. Files are rejected when any of the following are found to be incorrect:

- File name.
- File layout.
- Journal Voucher Number.

- Accounting Date.
- Prior Period Date.
- Legacy Account.
- Legacy Finance Number.
- LDC Number.

CDAS also checks each journal voucher file to make sure that it is in the standard JV file format. CDAS will check not only the format for the standard data fields, but also the subledger-specific data fields. If a journal voucher file is not in the right format, it will be rejected, and notification will be sent to designated interface contacts. A JV file control table is created to keep track of the JV file processing status.

A JV file control table (XXGL-JV-FILE_CONTROL) is created in the Oracle application instance to keep track of the JV file processing status. CDAS creates a record in this table for each JV file when it arrives — identifying the file name, arrival time, and record count. After processing the JV files, but before sending them to the OGL, CDAS updates the target JV file name, subledger debit and credit totals, record count, CDAS file name, CDAS debit and credit totals, CDAS record count, send time, and the group ID.

3-3 Finance Number Control Master File

3-3.1 Overview

The Finance Number Control Master (FNCM) is an Oracle relational database that contains organizational hierarchy information used by the Postal Service for financial processing and reporting. It was designed to maintain and control the Postal Service organization structure information required by the various Postal Service applications. The purpose of FNCM is to provide a master reference source of the information needed to edit and validate accounting transactions and generate financial reports.

Finance numbers are 6-digit codes that correlate accounting data with the related Post Office installation, headquarters/management organization, or designated projects. The approval process for the creation of finance numbers is automated — but it requires active involvement by users with specific roles to allow deletion of finance numbers and creation of new finance numbers. The approval process incorporates automated user notifications, data validation through the use of forms, and a built-in audit trail. The audit trail maintains finance number history including changes to attributes and structure.

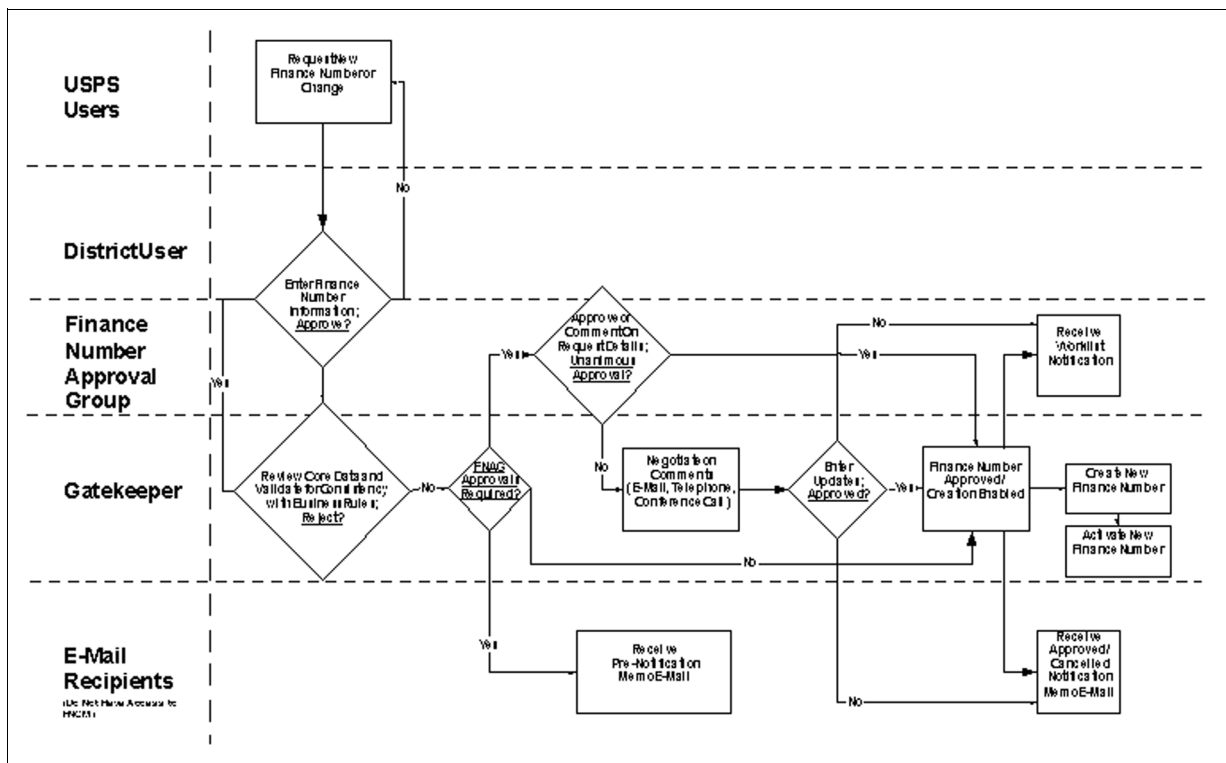
The FNCM process includes the following major functional components:

- Creation of finance numbers.
- Maintenance of finance numbers.
- Creation and maintenance of 4-digit extensions.
- Creation and maintenance of hierarchies.

- Realignment of finance numbers.
- Mass move hierarchy changes.

3-3.2 Creation of Finance Numbers

The basic approval flow for the creation of a new finance number is illustrated in the following flowchart.



Users, roles, and user role assignments are defined in the FNCM application. Key user roles provide the business requirements of the FNCM application:

USPS Users and District Users – individuals who have the ability to enter a request for new finance numbers within their district.

Finance Number Approval Group (FNAG) – individuals who have the authority to submit new finance numbers for creation through the Handbook F-8 process and approve the information related to a new finance number request. The FNAG enters requests for new finance numbers into FNCM.

Gatekeepers – Accounting Services staff members in Eagan who serve as the primary point of contact for finance number creation and maintenance. Gatekeepers are responsible for facilitating and executing the creation of new finance numbers, and maintaining core attributes and hierarchies.

E-Mail Recipients – individuals designated to receive Handbook F-8 Pre-Notification, Notification, and Cancellation Memo e-mails.

3-3.2.1 **Requesting a Finance Number**

Individuals interested in establishing a finance number to support tracking and management for their function, including both field and Headquarters personnel, may request the creation of a new finance number. Requests are sent via e-mail or PS Form 1560, *U.S. Postal Installation Information Update Requirement* (<http://blue.usps.gov/formmgmt/forms/1560.pdf>), to either the district user or the organization's FNAG representative. Upon completing the data requirements, electronic notification is sent to the gatekeeper.

3-3.2.2 **Reviewing Requests**

Upon review of the core data, the gatekeeper can provide suggested coding for data that has not been entered or modify information entered by the submitter. The gatekeeper then has the choice of returning the request to the sender with an explanation of why it was returned, submitting the request for auto-approval, or submitting the request for department review. If the gatekeeper:

- a. Returns the request to the sender with an explanation regarding why it was returned, FNCM action history is updated, and a notification is generated for the submitter.
- b. Submits the request for auto-approval, all internal and external users will receive a notification memo informing them of the activity, and FNCM action history is updated to reflect the auto-approval routing.
- c. Submits the request for department approval, all external users will receive a Pre-Notification Memo describing the activity. The workflow system tallies all department responses for the requests.

3-3.2.3 **Activating Finance Numbers**

A concurrent program that is executed nightly checks effective dates for new finance numbers, and activates the appropriate finance numbers on their effective date.

3-3.2.4 **Canceling and Reusing Finance Numbers**

A finance number may not be reused once it has been approved, but it may be canceled at any point prior to becoming effective. Finance numbers that have been canceled before creation may be reused after cancellation.

3-3.3 **Maintenance of Finance Numbers**

The process for changes to finance number attributes varies based on classification of the attribute. Any finance number user who would like to change core attributes may request these changes from the gatekeeper. The gatekeeper validates the request, and then uses the Maintain Finance Number form to enter appropriate changes that are to take effect immediately or the Track Finance Number form for changes that are to take effect in the future.

Finance number users are able to change noncore data that they own by using the Maintain Finance Number form or the Track Finance Number form. The process for maintaining non-core attributes does not require the Handbook F-8 approval process.

3-3.4 **Four-Digit Extensions to Finance Numbers**

The FNCM process includes the creation of 4-digit extensions to identify subunits within a finance number. For example, Finance Number 16-1542, Unit Number 0013 is a branch of the Chicago Post Office. The process for the creation and maintenance of 4-digit extensions is direct. Any FNCM user with access and role responsibility can create or update a 4-digit extension. This process does not require approval beyond the Post Office manager making the request. Changes are typically entered by District Office employees.

3-4 **Creation and Maintenance of Hierarchies**

Hierarchies are maintained to facilitate management reporting and enable users of financial reporting information to create or change a custom hierarchy to support their business requirements.

The official finance organizational hierarchies of the Postal Service include:

- Budget Authorization (BA).
- Finance Data Control (FDC).
- Performance Cluster (PFC).
- Post Office Operations (POO).

The gatekeeper has the only role that is able to create or change an official hierarchy based on direction by Headquarters Accounting Policy and Area or District Managers.

Under the finance number realignment process, an old finance number is closed and its transaction history is retained. Realignments take effect on the specified effective date with new transaction data associated with it at that time.

3-5 **Mass Move Hierarchy Changes**

Mass move hierarchy changes provide the capability to update rollups of multiple entities (FDCs, finance numbers, etc.) within the Finance Organization hierarchies. The execution of the official mass move hierarchy change process is controlled by the gatekeeper. Executing a Mass Move, rather than a simple hierarchy change through the use of the Maintain Finance Number Hierarchy form, enables the gatekeeper to move all finance numbers that meet the specified criteria while keeping intact business rules regarding the roll-ups. Mass moves must be approved by Headquarters Corporate Accounting prior to execution by the gatekeeper.

3-5.1 **Dynamic Creation of Attributes**

FNCM enables the dynamic creation of additional attributes (i.e., without requiring programming or table modifications within the constraints established upon setup) for both 6-digit finance numbers and 4-digit extension components. This capability is enabled by Oracle's Descriptive

Flexfields, which can be activated by system administrators when a new attribute is required. Descriptive Flexfields enable the creation of both Global (non-context sensitive) attributes and Context Sensitive attributes. Global attributes contain information that has the same meaning for all finance numbers or 4-digit extensions, regardless of Finance Number Type or Unit Type. (For example, budget authorization, Cost Ascertainment Group, facility type, payroll bank code, retail unit type, and store class.)

3-5.2 **Future Effective Date Changes**

FNCM incorporates the ability to designate attribute changes that are effective on a designated date in the future. This information is entered using the Track Finance Number Changes Form. Users enter the attribute to be changed, its new value, and the effective date. If the change is to a core attribute, it must go through the Handbook F-8 approval process. This form can be used to change attributes only — not hierarchies.

The Track Finance Number Changes Form is used to view changes that are designated to take effect in the future and to cycle back to view a history of changes. FNCM executes a background program to activate future effective changes on a nightly basis.

3-5.3 **Audit Trail**

Users may view historical and future effective changes and past changes (Audit Trail) via the Track Finance Number Changes Form. This form lists the attribute name and effective date for all future changes. In addition, users may decide to view previous changes that will display attribute change iterations (history and audit trail) from prior dates. Standard validation including validation based on a list of values for attributes for the 6-digit finance number and the 4-digit extension is provided through the form for each field.

3-5.4 **Lookup Value Maintenance**

To help prevent errors during data entry, FNCM users incorporate automatic validation of values that are selected to update attributes. The Lookup Maintenance Form enables update and addition of lookup types to the FNCM system. Lookup types are acceptable values for a given field that are listed in dropdown windows. These lookup types are associated with input parameters on user forms. The user can add or end-date values from the existing lookup types. These functions meet the lookup type maintenance requirements of the FNCM system.

3-5.5 **Security and Control**

Oracle applications responsibilities are the primary point of control for system access to FNCM. Users are registered by the system administrator and receive a User ID. Once logged in, the user is presented with his or her assigned responsibilities.

Access to specific forms is controlled by the user's assigned responsibility. The ability to update specific attributes is based on business ownership, and is controlled by FNCM role-based security. The ability to update the Finance

Hierarchies is limited to the gatekeeper. Custom hierarchies are viewable by all FNCM users with access to the Hierarchy Form, but only updated by the users with the same role as the creator. Users have access to all reports designated by the roles and responsibilities that are assigned to them.

The following chart describes the specific primary FNCM user roles and responsibilities:

FNCM v1	FNCM User Roles / Responsibilities						Cradle Applications			
	FNCM Admin	Super User / Gatekeeper	FNAG	User	RESA (Unit) Gatekeeper	District User	System Admin	DB Admin	App Admin	Workflow Admin
<i>Postal Data</i>										
Core Attributes		Add/Edit	Add/Edit (NACct)		View	View				
Payroll Attributes		Add/Edit	Add/Edit (PR)		View	View				
Operations Attributes		Add/Edit	Add/Edit (OPS)		View	View				
Budget Attributes		Add/Edit	Add/Edit (BUD)		View	View				
RAFA (4-digit) Attributes		Add/Edit	Add/Edit (RAFA)		View	View				
RAFA (4-digit) Extensions		Add/Edit			Add/Edit	Add/Edit (district)				
<i>FNCM Application Privileges</i>										
Maintain User Roles / Departments	X									
Create Roles / Entities	X									
Maintain Lookup Values		X			X (4-digit)					
Request New Finance Number		X	X		X	X				
Create New Finance Number		X								
Maintain FN Attributes		X	X (by Dept)							
Designate Future FN Changes		X	X (by Dept)							
<i>6-Digit Hierarchy</i>										
Create Official Hierarchies		X								
Maintain Official Hierarchies		X								
Maintain Custom Hierarchies		X	X							
<i>4-Digit Hierarchy</i>										
Add Unit Record		X			X	X				
Add Unit Hierarchies		X			X	X				
Maintain Unit Record		X			X	X				
Maintain Unit Hierarchies		X			X	X				
Run Active User / Roles Report	X	X	X		X					
Run FN History Report	X	X	X							
Run Hierarchy Report	X	X	X		X	X				
Run Unit History Report	X	X			X	X				
<i>System Accounts</i>										
Maintain Workflow Process	X						X			X
Grant Application ID							X		X	
Grant Responsibilities	X						X	X	X	
Grant DB Access							X	X		
Grant Unix (Shell)							X	X		

Note: The following departments will be updated in a future edition of this handbook:

- Revenue and Field Accounting (RAFA).
- Payroll (PR).
- National Accounting (NACct).
- Budget (BUD).
- Operations (OPS).

3-6 FNCM Interfaces

The FNCM system has one inbound interface. Annually, the Gross Revenue System transmits to FNCM an Advancement and Relegation file, which takes effect on October 1st. This interface reassigns the Cost ASCertainment Group code values within FNCM for finance numbers based on annual revenue.

The FNCM system generates one extract file each night that directly feeds detailed FNCM information to the ADM for view-only access by nonusers of the FNCM system. The same information is also provided to CDAS to generate numerous FNCM extracts (flat files) for legacy and new applications dependent on this information. Since many of these systems maintain additional functional information based on FNCM extracts, these systems must perform updates to their respective finance number records once changes are made in FNCM. The FNCM extracts are as follows:

- Installation Master File.
- Payroll Batch Job Core Data for Edit and Validation File.
- Sublocation File.
- FNCM All File.
- Financial Performance Report Master Extract.
- Financial Performance Master Extract.
- National Meter Accounting and Tracking System (NMATS) Extract.
- Retail Technology Company (RETEK) Extract.

3-7 Other Key Master Data Sources and Codes

In addition to the CDAS Mapping and Validation Tables and the FNCM, other master data sources and codes supply important edit and validation information to the accounting process. Subchapters [3-8](#) and [3-9](#) provide brief descriptions of several key data sources and codes.

3-8 Installation Master File

The Installation Master File (IMF) is an extract of the FNCM Oracle database. It is a flat file that contains about half of the FNCM data attributes. This file provides legacy systems not directly interfaced with the FNCM organizational hierarchy information needed to edit and validate accounting transactions and generate reports.

3-8.1 **Edit and Validation Master File**

The Edit and Validation (E&V) Master File is used by the Payroll and Retirement Systems. It provides the master reference source for information needed to process, edit, and validate payroll transactions and generate

required reports. Data elements in the FNCM, if applicable, are extracted and posted to the Postal Facility Record (Segment 76) of the E&V Master File.

3-8.2 Oracle Legacy Account Master File

The Oracle Legacy Account Master File (xxgl-legacy-accounts-master-t) contains all of the legacy account numbers and related attributes needed for validating and processing accounting transactions and generating financial reports.

3-8.3 Labor Distribution Code

A Labor Distribution Code (LDC) is assigned to each Postal Service employee. The LDC is a 2-digit code that identifies work hours by function. The LDC is also used to distribute labor costs to various Financial Performance Report (FPR) lines. National workhour reports are created for management's use in planning budgets and controlling resources.

Employee LDCs are maintained in the Eagan Employee Master File.

LDC activity has three levels of responsibility:

- **Headquarters** — determines coding structure, changes, additions, and deletions that require programming.
- **Accounting Services, Eagan** — maintains listings that identify the postal installation and LDC for each employee by finance number and alphabetically.
- **Field** — assigns correct LDC codes and maintains their validity.

3-9 Standard Journal Numbering System

A 4-digit number identifies each journal voucher entry. The first digit of the journal voucher number generally identifies the type of transaction, as shown in the following table:

JV Number (first digit)	Transaction Group
1xx.x	Disbursements
2xx.x	Accruals and estimates
3xx.x	Reversals of accruals
4xx.x	Retail accounting and other revenue transactions
5xx.x	Cash transactions
6xx.x	Stamp accountability
7xx.x	Receivables, international accounts, motor vehicle depreciation accounts, and other miscellaneous transactions
8xx.x	Accounting transfers
9xx.x	Non-standard manual journals

The second and third digits of the JV number indicate specific relationships of similar transactions. For example, JV 121.0 is related to JV 122.0.

- **First digit** — 1, represents disbursements approved.

- **Second digit** — 2, indicates the type of disbursement (in this case payroll).
- **Third digit** — 1 or 2, identifies the pay period of disbursement.
- **Fourth digit** — if other than zero — in most cases is used to record adjustments to the recurring standard JV.

To facilitate source identification, each Accounting Services location is assigned a specific range of accounts in the 9xx.x series.

Requests for new JV numbers are directed to the Finance Branch in Eagan. The Finance Branch updates the JV table that contains the list of all of the valid JV numbers, assigns a file name, and works with the subsystem owner to test new JVs before moving them to production.

3-10 Performing Maintenance

Performing maintenance to support business changes or correct identified errors affecting the OGL and Master data sources involves several steps. Initially, once a maintenance requirement is identified, approval of the maintenance must be obtained from the “appropriate person.”

The appropriate person varies based on the type of maintenance needed, and, in most cases, the particular values involved. For example, adding a new legal entity value involves a higher level of approval authority than adding a new finance number. Identifying who performs the maintenance and communicating the maintenance request to that individual is a central requirement of the maintenance process.

Once maintenance is complete, additional activities are performed in areas that may be affected by the maintenance activity.

The OGL-to-ADM interface ensures that every time journals are posted in the OGL, the accounting data will post to ADM as well. In addition, the interface ensures that every time account *balances* are changed (e.g., as the result of a Move/Merge), the balance change accounting information will be reflected in the ADM. The OGL contains an Oracle Legacy Account Master File that holds static data attributes for all legacy account numbers and the mapping of those numbers to associated OGL account values. There are separate mapping tables with mapping information for each of the OGL accounting flexfield segments.

3-10.1 Maintaining Hierarchy Information

Hierarchy information is maintained in two places in the OGL, as follows.

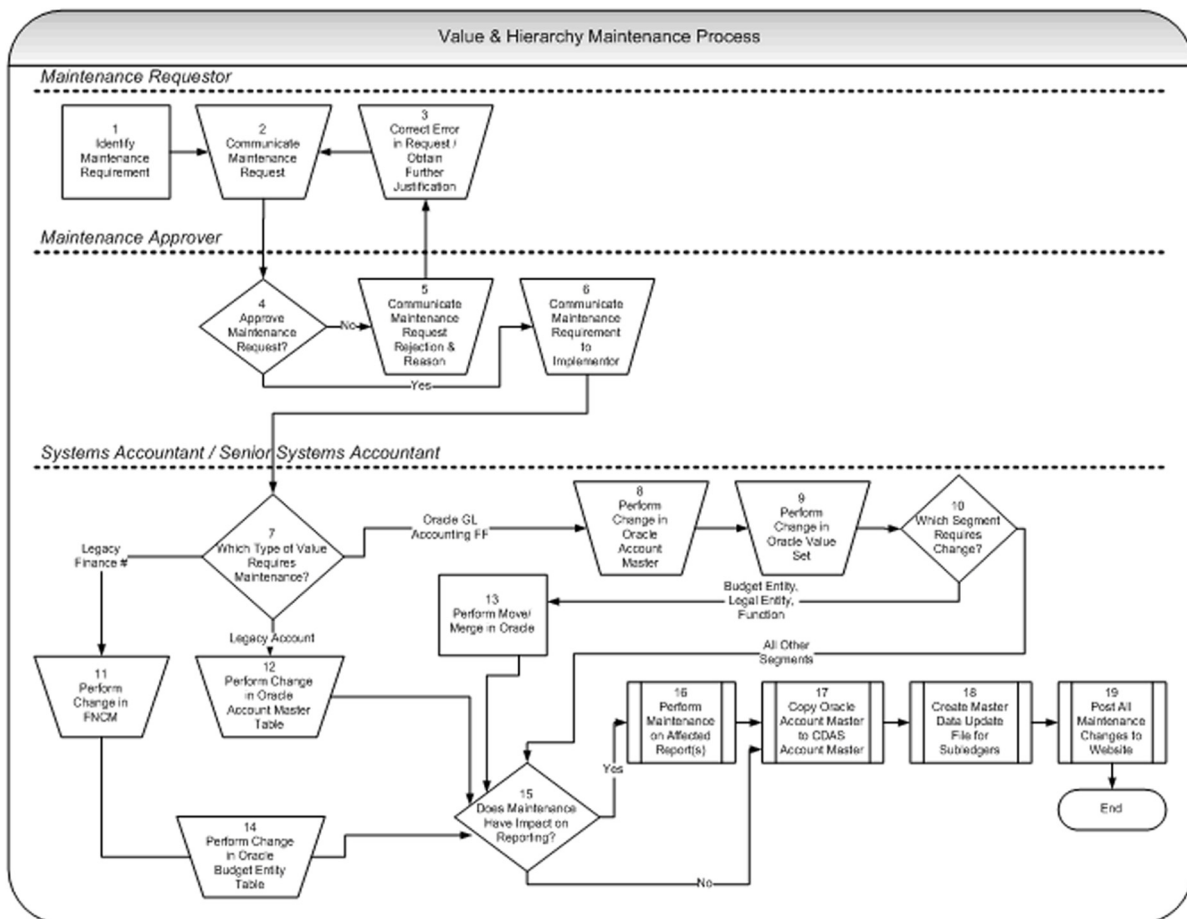
- Hierarchies related to direct reporting out of the OGL are maintained via Parent/Child relationships in the Value Sets underlying the segments of the accounting flexfield. Any relationship or hierarchy involving values in the Oracle accounting flexfield is maintained in this manner.

- Other hierarchy information — relating to data attributes associated with legacy account values or finance numbers — is maintained in the data attributes associated with the legacy data in the appropriate Account Master table in the OGL.

Finance Number/Budget Entity maintenance is performed in the FNCM and in the OGL. Maintenance requests must be communicated prior to scheduled maintenance to be performed in Oracle. Maintenance requests may be in the form of an e-mail or written communication. All maintenance in Oracle is performed at a single point in the system. Maintenance changes flow through to all affected systems automatically, using scheduled feeds. Scheduled maintenance minimizes “timing” errors in which one element of the accounting system is aware of maintenance changes and others are not. All parties that need to be informed of maintenance changes must be proactive in checking the Maintenance Web site.

3-11 Value and Hierarchy Maintenance Process Overview

The flowcharts and detailed descriptions further explain the Value and Hierarchy Maintenance Process.



3-11.1 **Description of the Value and Hierarchy Maintenance Process**

All Value and Hierarchy Maintenance occurs in the system at the beginning of each period. This is to minimize the impact on end-user system performance. Furthermore, most maintenance occurs during month-end processing.

3-11.2 **The Value and Hierarchy Maintenance Process**

The Value and Hierarchy Maintenance Process includes the following:

- OGL Accounting Flexfield Values.
- Legacy Data (i.e., finance number, account number, and all associated data elements).
- All hierarchy definitions and any other mapping or validation maintenance.

The steps for the Value and Hierarchy Maintenance processes are as follows:

1. Identify Maintenance Requirement.

A requirement to perform maintenance on the system is identified, mandated, or otherwise established by a Systems Accountant, a member of the Headquarters staff, or another authorized person.

This maintenance requirement may be the result of any of the following:

- Identification of a configuration or setup error or previous maintenance that has been incorrectly performed.
- Reorganization.
- Reporting a requirement change (e.g., hierarchy or range requirements).
- Creation, retirement, or change of a business concept or entity that is associated with one or more data element values.

2. Communicate Maintenance Request.

All maintenance requires approval prior to its implementation.

Determining who is responsible for approving the request depends on the scope and nature of the maintenance requirement.

3. Approve or Reject Maintenance Request.

All maintenance requires approval prior to its implementation.

Determining who is responsible for approving the request depends on the scope and nature of the maintenance requirement. Approvers:

- Review maintenance requests.
- Determine whether the maintenance is justified and appropriate.
- Approve or reject the maintenance request.

Maintenance request approvers are generally members of the Headquarters Accounting staff for most maintenance that has a broad impact, such as:

- Maintenance to the following Oracle accounting flexfield segments:
 - Legal Entity.
 - Natural Account.
 - Function.
 - Future Use 1.
 - Future Use 2.
- Changes to the mapping of Legacy-to-Oracle accounts. Eagan Senior Accounting Staff may approve “lesser” maintenance tasks (those with a less granular scope of impact), such as maintenance to the budget entity Oracle accounting flexfield segment.

4. Communicate Reason for Rejection of Maintenance Request.

If the maintenance request is rejected, the Maintenance Approver communicates the reason for rejection to the Maintenance Requestor.

5. Respond to Rejected Request.

If a request is rejected, the party who submitted the request reviews the reasons for its rejection. Based on the review, the requestor may:

- Correct any errors made in the request;
- Obtain further documentation to justify the request; or
- Decide that maintenance is no longer required and terminate the process.

6. Communicate Maintenance Requirement to Implementer.

Once the maintenance request has been approved, the Maintenance Approver communicates the requirement for maintenance to the Systems Accountant or Senior Systems Accountant in Eagan to perform the maintenance. This communication is generally made by e-mail.

7. Determine Which Type of Value Requires Maintenance.

Depending on the type of value maintenance that needs to be performed, different activities will take place. The three types of value maintenance are:

- Legacy Finance Number.
- Legacy Account.
- OGL Accounting Flexfield.

“Value maintenance” refers to any of the following maintenance activities with respect to the three types listed directly above:

- Creating a new value.
- Altering an existing value or “moving” data associated with one value to a new value or to another existing value.

- Disabling an existing value, either on its own or as a result of “moving.”

Depending on the nature of the maintenance request, multiple activities may be required. For example, if a new Oracle Natural Account value is created, mapping information from Legacy Accounts must be changed for CDAS to be able to use the new Oracle Natural Account value.

8. Perform Change in Oracle Account Master OAM.

Although the primary impact of maintenance on Oracle accounting flexfield values is to the Value Sets in the OGL, any changes to the Oracle accounting flexfield values may also require a corresponding change to the Oracle Account Master (OAM) table.

For example, if a value is being disabled in the Natural Account segment of the accounting flexfield, any mapping information contained in the OAM table must be disabled in addition to the value being disabled in the General Ledger Value Set.

9. Perform Change in Oracle Value Set.

The primary impact of a maintenance requirement that affects one or more values in the OGL accounting flexfield is to perform maintenance in the Value Set associated with the affected segments.

For example, if the maintenance requires the creation of a new Natural Account value, a new value is created in the Natural Account Oracle Value Set.

10. Determine Which Segment Requires Change.

Depending on which segment of the OGL accounting flexfield requires maintenance, the maintenance activities differ. The segments involved in this decision are as follows:

- Budget Entity, Legal Entity, and Function segments: Go to Step 12.
- All other segments (Natural Account, Future Use 1, and Future Use 2): Go to Step 15.

11. Perform Change in FNCM.

All maintenance to Legacy finance numbers needs to be performed first in FNCM. Creation of new values, modification of the data elements associated with existing values, or disabling of old values can all occur as a result of the maintenance requirement.

12. Perform Change in OAM Table.

If maintenance on the Legacy data affects Core data attributes as described earlier, then maintenance also needs to be performed on the OAM table. The OAM contains the Core data attributes. This step is required for the FNCM and OAM data to be in sync as a result of the maintenance.

13. Perform Move/Merge in Oracle.

All maintenance on the Budget Entity, Legal Entity, or Function segments of the OGL accounting flexfield that involves the “moving” of a value must be followed by a move/merge, if applicable. For example, if the maintenance requirement is to disable an “old” value X, and

create a new value Y, then the balances associated with the old value must be moved to the new value.

14. Perform Change in Oracle Budget Entity Table.

If maintenance on Legacy data affects Core data attributes as described earlier, then maintenance also needs to be performed on the OAM table. The OAM contains the Core data attributes.

15. Consider the Impact of Maintenance on Reporting.

Depending on its nature, value maintenance may have an impact on one or more reports. For example, if a value is “moved” as the result of reorganization, then all reports that use the moved value must be altered to reflect the change.

16. Perform Maintenance on Affected Reports.

The Systems Accountant performs maintenance on all reports affected by the value maintenance change.

17. Copy the OAM to the CDAS Account Master.

An automated daily process copies data from the OAM to the CDAS Account Master, keeping the two account master tables in sync. This process provides the following information to CDAS:

- Legacy Account Number and Related Data Attributes.
- Finance Number and Related Data Attributes.
- Corresponding (Mapped) OGL Accounting Flexfield Code Combination.
- Effective Dates.

18. Create Master Data Update File for Subledgers.

Once a month, the OAM-to-CDAS Account Master process, described above, is placed on a server and made available for each of the subledgers to pull and use in their financial processing.

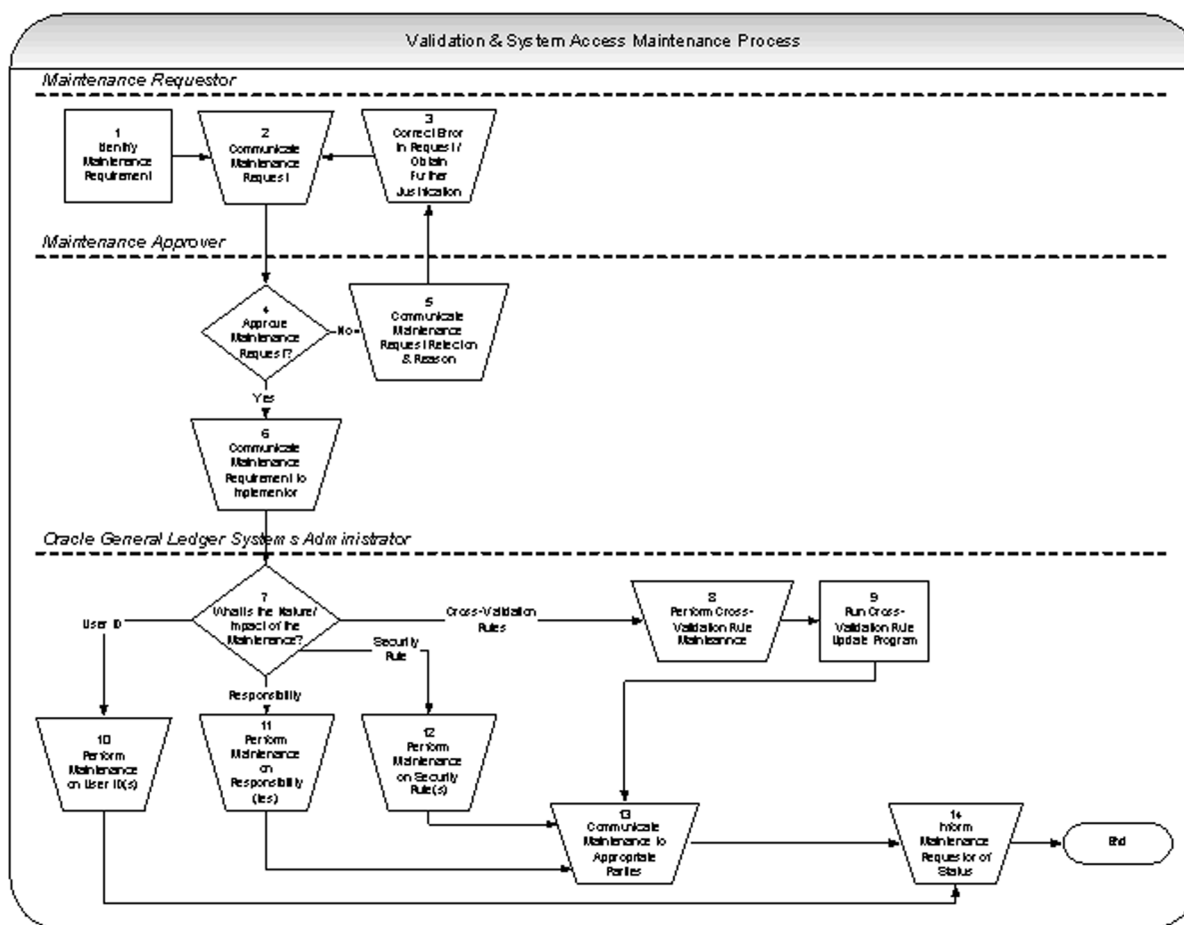
This process provides the following information from CDAS:

- Legacy Account Number and Related Data Attributes.
- Finance Number and Related Data Attributes.
- Effective Dates.

19. Post All Maintenance Changes to the Web Site.

Every day, information about all maintenance that has been performed is posted to a Web site where interested parties may monitor the result of the maintenance that has been performed.

3-12 Validation and System Access Maintenance Process Overview



3-12.1 Description of the Validation and System Access Maintenance Process

The process for implementing validation and system access maintenance in the OGL encompasses the following maintenance tasks:

- **OGL User ID (login) maintenance:**
 - Creating User IDs.
 - Disabling User IDs.
 - Resetting passwords.
 - Changing associated Responsibilities.
- **Responsibility maintenance** — creating, disabling, altering access to, or changing menus associated with Responsibilities.
- **Security rule (also called flexfield security) maintenance** — creating, disabling, or altering Responsibility assignments.

- **Cross-validation rule maintenance** — creating, disabling, or altering included and excluded value combinations.

All Validation and System Access Maintenance occurs in the system during a specific timing window to minimize the impact on end-user system performance.

1. Identify Maintenance Requirement.

Maintenance requests may be sent by e-mail or other written communication. Each party responsible for approving the maintenance request is responsible for establishing the requirements for a maintenance request within the guidelines defined by Headquarters Accounting Staff.

2. Communicate Maintenance Request.

All maintenance requires approval prior to its implementation. Determining who is responsible for approving the request depends on the scope and nature of the maintenance requirement.

3. Approve or Reject Maintenance Request.

All maintenance requires approval prior to its implementation. Determining who is responsible for approving the request depends on the scope and nature of the maintenance requirement. Approvers:

- Review maintenance requests.
- Determine whether the maintenance is justified and appropriate.
- Approve or reject the maintenance request.

Maintenance request approvers generally are members of the Headquarters Accounting staff in the case of most maintenance that has a broad impact, such as:

- Responsibility maintenance.
- Security rule maintenance.
- Cross-validation rule maintenance.

“Lesser” maintenance tasks, or those with a less granular scope of impact, may be approved by the Senior Accounting Services Staff member who requests them (e.g., User ID maintenance).

4. Communicate Reason for Rejection of Maintenance Request.

If the maintenance request is rejected, the Maintenance Approver communicates the reason for rejection to the Maintenance Requestor.

5. Respond to Rejected Request.

If a request is rejected, the party who submitted the request reviews the reasons for its rejection. Based on the review, the requestor may:

- Correct any errors made in the request;
- Obtain further documentation to justify the request; or
- Decide that maintenance is no longer required and terminate the process.

6. Communicate Maintenance Requirement to Implementer.

Once the maintenance request has been approved, the Maintenance Approver communicates the requirement for maintenance to the

Systems Accountant or Senior Systems Accountant who will perform the maintenance. This communication is generally made by e-mail.

7. Determine the Nature and Impact of the Maintenance.

The OGL Systems Administrator logs into OGL system and performs the required maintenance. The nature of this activity varies depending on the nature of the maintenance requirement, and encompasses each of the following activities:

- User ID maintenance.
- Responsibility, menu, and profile option maintenance.
- Security rule maintenance.
- Cross-validation rule maintenance.

The maintenance process will proceed along different paths depending on which of these categories the maintenance requirement falls into.

8. Perform Cross-Validation Rule Maintenance.

All maintenance on Cross-Validation Rules (CVRs) is performed using the System Administrator menu paths in OGL. CVR maintenance includes each of the following tasks:

- Creating a new CVR.
- Changing the Exclude/Include values associated with an existing CVR.
- Disabling an existing CVR.
- Correcting the descriptive information contained in a CVR record.

9. Run Cross-Validation Rule Update Program.

CVRs are only applied to validate code combinations in the following circumstances:

- The code combination in a journal that is being validated does not exist in the OGL code combinations table.
- The CVR Update program is run.

Running the CVR Update program is required for making changes to CVRs and creating new CVRs. The CVR Update program “reapplies” all CVRs to the code combinations in the code combinations table in OGL. If an existing accounting flexfield code combination is found to violate a CVR, the CVR Update program disables the code combination in the code combinations table.

10. Perform Maintenance on User IDs.

Maintenance of User IDs is performed using the System Administrator menu paths in OGL. Maintenance of User IDs includes each of the following tasks:

- Creating a new User ID.
- Resetting the password of an existing User ID. (This task is also performed by the IT Help Desk and the user as part of the security policy.)

- Changing the Responsibilities associated with an existing User ID (assigning a new Responsibility or disabling existing Responsibility access).
- Disabling an existing User ID.
- Correcting descriptive information contained in a User ID record (e.g., the associated user's name).
- Assigning a User ID to an Employee record.
- Changing profile options.

11. Perform Maintenance on Responsibilities.

Maintenance on Responsibilities is performed using the System Administrator menu paths in OGL. Responsibility maintenance includes each of the following tasks:

- Creating a new Responsibility.
- Changing any of the following about an existing Responsibility:
 - Menu paths.
 - Commands enabled/disabled.
 - Reports enabled/disabled.
 - Security rules associated with a Responsibility.
 - Data groups associated with a Responsibility.
- Disabling an existing Responsibility.
- Correcting descriptive information contained in a Responsibility record (e.g., Description or Name).

12. Perform Maintenance on Security Rules.

Maintenance on Security Rules is performed using the General Ledger menu paths in OGL. Security Rule maintenance includes each of the following tasks:

- Creating a new Security Rule.
- Changing any of the following about an existing Security Rule:
 - Description.
 - Name.
 - Included/excluded values.
 - Segment association.
 - Error message.
- Disabling an existing Security Rule.
- Assigning an existing Security Rule to Responsibilities.

13. Communicate Maintenance to Appropriate Parties.

Once maintenance has been performed on Responsibilities or Security Rules, the OGL Systems Administrator posts the description of the maintenance performed to a Maintenance Web site for communication to all interested parties.

14. Inform Maintenance Requestor of Status.

The OGL Systems Administrator must inform the Maintenance Requestor that the maintenance has been performed successfully.

3-12.2 **Key Roles**

The following is a summary description of the key roles within the maintenance process and the staff member who generally fills each role:

Role Name	Role Description
Maintenance	<p>A member of Headquarters Accounting Services staff:</p> <ul style="list-style-type: none"> ■ Identifies maintenance requirements and requests approval of the requirement from the Maintenance Approver. ■ Generates supporting documentation and justification for all maintenance requests. ■ Follows up with the Maintenance Approver to ensure that maintenance requests are handled in a timely fashion.
Maintenance Approver	<p>The supervisor of the Maintenance Requestor:</p> <ul style="list-style-type: none"> ■ Reviews all maintenance requests and assesses their impact and appropriateness. ■ Responds in a timely fashion to each maintenance requests with an approval or a rejection. ■ Accompanies all rejections with a detailed description of the reason for the rejection. ■ Forwards all approved maintenance requests to the OGL System administrator.
OGL Systems Administrator	<p>A member of the Accounting Services staff:</p> <ul style="list-style-type: none"> ■ Implements all approved maintenance Ledger requests in OGL. ■ Ensures communication of that maintenance once it has been performed.
Systems Accountant	<p>A member of the Accounting Services staff:</p> <ul style="list-style-type: none"> ■ Implements all approved value maintenance requests in OGL. ■ Ensures that performance of the maintenance is communicated once it has been completed.

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4 Oracle General Ledger Import

This chapter describes the process through which subledger data and journal entries are processed within the Oracle General Ledger (OGL), and includes the following topics:

- Journal Import Process.
- Manual Journal Entry Processing.
- Journal Entry Vehicle (JEV) Application.
- Journal Approval and Posting.
- Alerts Process.

The subledger and journal entry import, approval and posting process is a key central function of the OGL. This component of the system imports and processes the accounting data that originates through subledger systems and journal entries and provides that data to the Accounting Data Mart (ADM). Included within this process are the use of the JEV and the processing of other manual journal entries. The import, approval, and posting process also includes providing alerts that define how the system handles and resolves any associated errors from the import process.

4-1 Overview

4-1.1 Journal Import Process

The journal import process in OGL creates journal entries as it imports accounting data from the GL Interface Table. As part of the import, the system validates the accounting data in the GL Interface Table against a number of edit criteria. Any errors discovered must be corrected before the journal import can successfully create a journal entry in OGL representing the data submitted.

Most accounting data errors are flagged by the Corporate Data Acquisition System (CDAS); however, the journal import process provides a mechanism for errors that may pass through CDAS to be caught as part of the journal import process prior to the data becoming journals. CDAS thresholds enable data to flow through to OGL if it contains few errors.

Alerts are provided to appropriate individuals when Journal Import fails. This process is designed to speed up reaction time for resolving errors. Subledger owners must consistently monitor error reports to ensure that errors detected are corrected in a timely manner.

Accounting data from CDAS does not affect account balances until it is imported via Journal Import and then posted using an automated posting process (AutoPost) or through manual posting. When a journal is successfully posted in OGL, the journal information for that journal is also transferred to the ADM. If the Journal Import is unsuccessful, the subledger owner of the erroneous data is responsible for correcting the data.

4-1.2 **Manual Journal Entry Processing**

The General Ledger Accounting and Financial Reporting System includes a process for entering manual accounting journal entries into OGL. A number of different manual approaches can be used to process a manual journal entry. The type of activity defines which manual journal entry approach to use. The majority of the JEVs are routed through CDAS to be subject to the CDAS edit and validation processes. Generally, only one JV per year is posted directly in OGL.

Once a journal entry has been entered into the system and has passed validation checks (either in CDAS, the GL Interface or on an Oracle automated journal entry form), it is approved and posted.

Postal Service field personnel do not have direct access to OGL. Field personnel have direct access to JEV, but only for the purpose of processing Journal Voucher Transfers (JVTs).

4-1.3 **Journal Entry Vehicle**

The JEV is a journal voucher entry application integrated within the OGL that is designed to enable users to create, save, edit, and approve or reject manual journal vouchers using legacy account numbers and finance numbers. JEV creates a file containing journal voucher data and makes this data available for retrieval by CDAS. CDAS validates the contents of the journal voucher, maps the accounting data to the OGL chart of accounts, and feeds the data to the OGL. Each of the processes is facilitated by web-based user forms.

JEV conducts various types of validation. Journal vouchers that do not pass the validation requirements are prevented from being saved or submitted for approval. A select group of users located in Eagan are authorized to review, edit, and either approve or reject Journal Vouchers. If approved, the journal voucher is flagged as being ready to feed to CDAS.

Rejected journal vouchers remain in the JEV application for auditing purposes, but are not fed to CDAS. When approvers reject a journal voucher, they notify the creator of the journal voucher. The JEV application creates a daily file containing all approved journal vouchers that have not been sent to CDAS.

4-1.4 **Journal Approval and Posting**

The Postal Service uses the Journal Approval and Posting process to ensure that all journals imported into OGL are approved for posting.

The journal approval system maintains an audit trail capturing the journal preparer, journal reviser, and journal poster. The system forces the journal

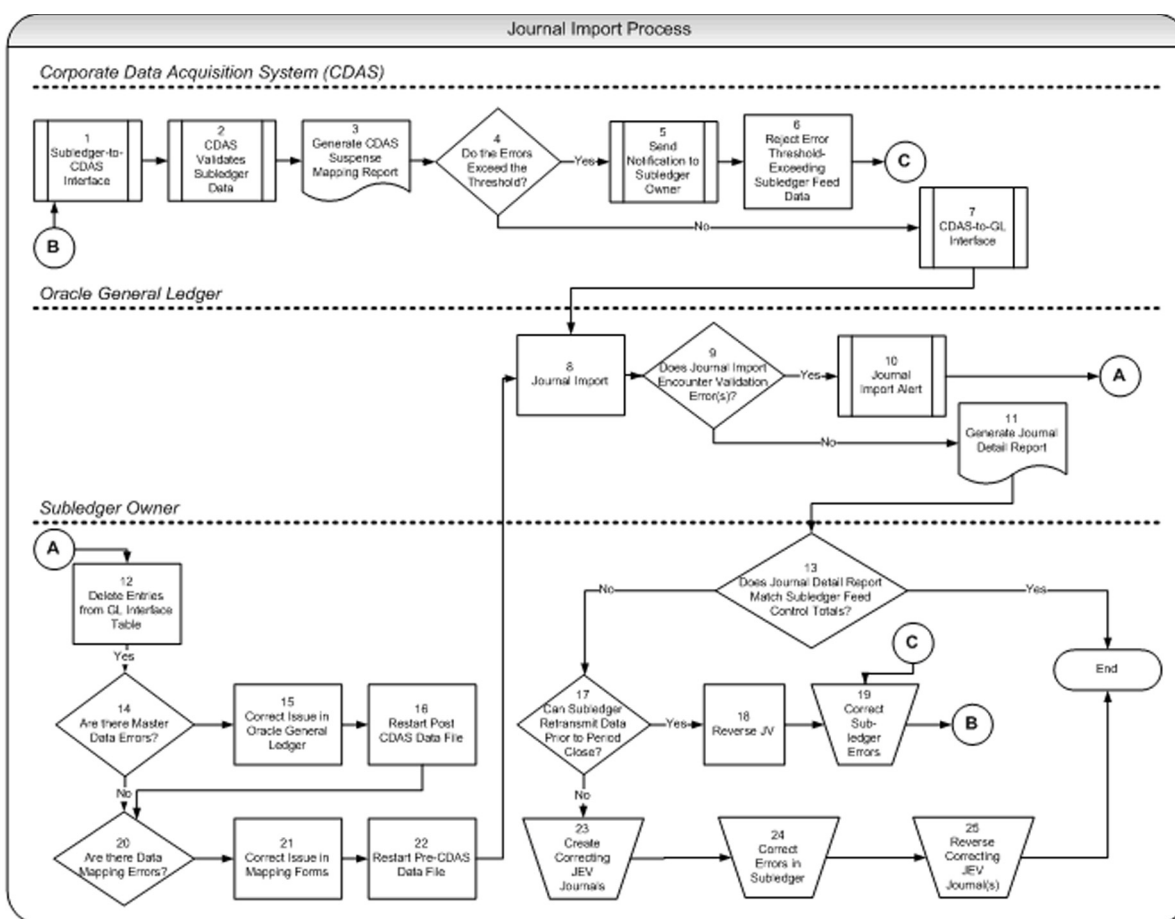
approver/poster to review credit/debit and control totals prior to posting. The system provides the journal approver/poster the opportunity to review all journals in detail prior to posting. It also enables a journal approver/poster to correct identified errors in ready-to-post journals immediately.

All journals created by the JEV post automatically after approval. Supporting documentation is required to be maintained by the originator of the journal entry at the source of the journal preparation.

4-1.5 Alerts

The OGL provides a system of alerts to be used to facilitate the resolution of errors identified by those alerts. The alerts process enables a greater degree of control around which data makes it into the OGL and the extent to which erroneous data may be corrected prior to making the correction. The process allows intervention and facilitates correction of erroneous data on the part of subledger process owners. E-mail notifications are distributed to all people who need to know about failed processes.

4-1.6 OGL Journal Import Process



4-1.7 Detailed Description of the Process

The steps for the journal import process are as follows:

1. Subledger-to-CDAS Interface.

This interface transmits subledger data to CDAS. This activity actually represents a number of separate interfaces, one for each subledger, that each run according to different schedules. Generally, these interfaces are automated. However, they may all be run on demand as the need dictates. Generally, interfaces that feed CDAS do not have the capability to retransmit data, or to transmit historical data within a certain time frame.

If this process is entered as a result of Step 5, then this interface must be initiated manually and must use the proper parameters with respect to time frame. Generally, this will be a retransmission of corrected data. Whenever data from a subledger is retransmitted to CDAS, the intent is to replace erroneous data that was deleted from CDAS or from the GL Interface Table prior to being posted in OGL.

2. CDAS Validates Subledger Data.

When CDAS receives data from each subledger feed, it performs a number of validations and mappings to each piece of legacy data. CDAS performs many validation actions, including the following:

- Validates that the legacy account and finance number in each journal line are valid.
- Maps each journal line to an OGL accounting flexfield code combination using finance number, legacy account, and other attributes.
- Maps each journal line for which the above mapping information is not present or contains invalid values to a suspense account.

3. Generate CDAS Suspense Mapping Report.

Whether the number of errors present in a data feed exceeds the error threshold or not, CDAS always generates a Suspense Mapping Report. In each instance where CDAS was forced to map a legacy account number and finance number to a suspense account, the report reflects the error in the legacy account number and finance number, the source system, and the timestamp of when the attempt to map the values was made.

The Suspense Mapping Report is available for viewing by Headquarters and Accounting Services staff, as well as by subledger owners.

4. Do the Errors Exceed the Threshold?

CDAS has an error threshold in each feed of data from a subledger. Subledger files that are incorrectly named, formatted, or exceed this threshold will not be fed to the OGL (i.e., feeds that contain legacy account and finance number data that is either not present or mappable in CDAS validation and mapping tables). The error threshold may change over time, and may be changed within CDAS. This

threshold may change as a result of changes in system performance or changes in security, process, or audit requirements.

5. Send Notification to Subledger Owner.

CDAS sends a notification to the HQ and Accounting Services staff and the appropriate subledger owner that the error threshold for a particular data feed has been exceeded. The nature, content, and intent of this notification is very similar to the Alerts performed within OGL.

6. Reject Error Threshold-Exceeding Subledger Feed Data.

If a subledger feed's data exceeds the CDAS error threshold, then that feed may not proceed farther into OGL. CDAS will not transmit the data to the GL Interface Table for importing, and the data will be deleted. Correct the errors in the source system, and resubmit the data to CDAS.

7. CDAS-to-GL Interface.

Once the data has been mapped and validated, CDAS initiates the CDAS-to-GL interface process for the data feed that it has just finished processing. This interface populates the GL Interface Table with accounting data based on the data feed from the source system.

8. Journal Import.

The final step of the CDAS-to-GL Interface process is to trigger the Journal Import process in the OGL. Journal Import validates the accounting data in the GL Interface Table and creates journals from that data.

The Journal Import process can be run manually as need dictates. If entering this step from Step 15, the subledger owner may initiate the Journal Import process at any time after the data in the GL Interface Table has been corrected.

9. Does Journal Import Process Encounter Validation Errors?

When finished, the Journal Import process displays the status of the import attempt. If successful, the output contains only a message that affirms the success.

If unsuccessful, the report contains details about each piece of accounting data that caused a failure, including the values the GL Interface Table contained, and which errors Oracle identified. For example, if three journals were out of balance, and two journals contained invalid accounting flexfield code combinations, then the Journal Import output report would contain five separate descriptions of errors.

The journal import process could fail as a result of any of the following example conditions:

- **Maintenance timing** — a value that one of the journal lines used by data in the GL Interface Table was disabled or end-dated in between the CDAS Validation process (Step 7) and when the Journal Import process was run.

- **Invalid/not open period** — the month of the journal is invalid, has not been created yet, or has been closed.
- **Cross-validation rule violation** — the combination of accounting flexfield segment values is not allowed by one or more cross-validation rules.
- **Security rule violation** — the value used in one or more segments of an accounting flexfield code combination is not allowed by one or more Security Rules. Security rules are assigned to Responsibilities. Each interface to the GL Interface Table may be assigned a Responsibility by the interface designers.
- **Accounting flexfield code combination** — has been disabled for any reason.

10. Journal Import Alert.

If the Journal Import process fails for any reason, a copy of the process output is sent by e-mail with a message to each member of an updatable distribution list that includes all subledger owners.

11. Generate Journal Detail Report.

When the Journal Import process is successful, each subledger owner is still responsible for ensuring that the data in the OGL is an accurate reflection of the data that the subledger transmitted to CDAS. The Journal Detail Report contains journal detail by Natural Account and by Journal Source and Category.

12. Delete Entries from the GL Interface Table.

The Subledger Owner deletes all accounting data from the GL Interface related to the error.

13. Does Journal Detail Report Match Subledger Feed Control Totals?

After the journal import process completes successfully, each subledger owner is responsible for checking the Journal Detail Report to ensure the accuracy of the data in the OGL. This report is broken down by Journal Source (subledger) and Category, and contains journal detail data by Natural Account value. The subledger owner is responsible for identifying the nature of any error noted and taking action to resolve it.

14. Are there Master Data Errors?

If errors are still present in the data by the time it gets to the GL Interface Table, there are essentially two categories the errors could fall into. Both of these types of errors result from maintenance timing issues, as follows:

- **Legacy Value Errors** — Maintenance has been performed on one or more values that the subledger system transmitted to CDAS. The timing of this maintenance with respect to the transmission of the data in question is such that at the time of sending, OGL and CDAS were aware of the change or error, but not the subledger. In this case, the Account Master information needs to be resynchronized between OGL and CDAS, and

immediately after this is complete, the Account Master information needs to be resynchronized between CDAS and the subledger. Then, when the data is retransmitted from the subledger, it should be valid in both CDAS and the OGL.

- **Legacy Mapping Errors** — Maintenance has been performed on the mapping table in OGL, but this change has not been synchronized with CDAS. The nature of the change is such that the values contained in the data transmission in question are acceptable under the old mapping rules, but no longer apply under the new mapping rules. This type of error can be resolved by synchronizing the mapping information between OGL and CDAS and retransmitting the data.

15. Correct Issue in OGL.

The nature of the error is in OGL and in the Master Data that it contains. Based on the nature of the errors, the subledger owner logs into Oracle and corrects those errors in the OGL.

16. Restart Post-CDAS Data File.

Since the data file produced by CDAS is still valid — that is, the nature of the problem resides post-CDAS — it does not need to be reprocessed by CDAS or retransmitted by the subledger. CDAS has the capability to re-introduce a processed data file to the Journal Import process. The subledger owner initiates this process.

17. Can Subledger Retransmit Data Prior to Period Close?

Some subledgers are not capable of retransmitting their data feed to CDAS. In addition, some subledgers are not capable of transmitting data feeds outside of a certain frequency. If the subledger owner maintains a subledger that is capable of retransmitting its data feed based on timestamp parameters and prior to the period close, go to Step 18. If the subledger lacks this capability, go to Step 23.

18. Reverse JV.

The nature of this error is in the subledger. The journal created by the erroneous data must be reversed in the OGL.

19. Correct Subledger Errors.

Regardless of the problem in the subledger that is causing these errors, the subledger owner *must* correct the errors. Once the errors are corrected, the subledger retransmits the data file to CDAS to initiate the Journal Import process again with the corrected data.

20. Are There Data Mapping Errors?

Legacy Value errors require synchronization not only between OGL and CDAS, but also between CDAS and the subledger. If legacy value errors are present in the GL Interface Table, go to Step 21.

21. Correct Issue in Mapping Forms.

This error requires updating the Mapping forms that are accessible from OGL. The subledger owner enters OGL and corrects the data mapping errors as appropriate.

22. Restart Pre-CDAS Data File.

The preferred nature of error resolution is to correct the data that was holding up the import process and to re-initiate the journal import process as close to the source as possible. Assuming that the data mapping errors have been corrected (Step 21), restart the data file from its origin in CDAS. Note that this is different from the subledger system re-sending the data file; CDAS has the capability of re-processing an existing data file without subledger retransmission.

23. Create Correcting JEV Journals.

If the error in question is on a data feed from a subledger, the subledger owner *must* create manual journal entries using the JEV. These journals will flow through CDAS just like any other subledger.

24. Correct Errors in Subledger.

Once the JEV journals have been created, the underlying problem caused by the subledger must be corrected by the subledger owner. Once this is complete, the next time that the subledger transmits data to CDAS, the transmitted data will contain the accounting impact of the revisions.

25. Reverse Correcting JEV Journals.

The journals created in Step 23 must be reversed in order to avoid “double-counting” the impact of the correction — the JEV journal and the subledger-to-CDAS data transmission that occurs after Step 24. All JEV journals that were created in Step 23 must be reversed by the subledger owner. The reversal of JEV journals must only be performed after the next transmission of data from the associated subledger.

4-1.8 **Key Roles**

The key roles involved in the Journal Import process and the functions they perform are described below:

Role Name	Role Description
Subledger Owner	<ul style="list-style-type: none"> ■ Corrects GL Interface Table errors. ■ Handles retransmission of subledger data and communicates errors to those affected by broader impact of error resolution changes. ■ Corrects subledger errors. ■ Reviews journal detail report. ■ Ensures that data file extracts occur on a periodic basis. These data files must be validated at the subledger level to ensure all data is correct and accurate. ■ Ensures that each subledger is capable of generating retransmissions on demand.

Role Name	Role Description
GL Administrator	<ul style="list-style-type: none"> ■ Maintains AutoImport and AutoPost schedules and configuration. <p>Notes: The AutoImport program automatically and periodically transfers journal information from the GL Interface Table to the OGL, where the information becomes journals. This program automatically imports all interfaced journal data from subledgers. The AutoPost program automatically and periodically posts eligible journals. Regarding the Journal Approval process, it is important to note that all journals that are not manually created within the OGL will be posted automatically by the AutoPost program.</p>

4-1.9 Manual Journal Entry Processing

This chapter segment covers the process of transforming business transaction activity into general ledger data via the manual journal entry process.

4-1.9.1 Methods of Manual Journal Entry Processing

The General Ledger Accounting and Financial Reporting System includes a process for entering manual accounting journal entries into OGL.

The general ledger journal entry process comprises a number of alternative methods for data capture. These include manual entry of journals, as well as interfaces from outlying systems and ledgers. This manual entry process does not include the process of importing system-created journals. The journal entries created by subledger systems are described in chapter 4.

The Postal Service manual journal entry process begins with the need to capture financial information in the general ledger, or the transpiration of a business activity. There are a number of different manual journal entry approaches that can be used to process a manual journal entry. The type of activity will define which manual journal entry approach is to be taken.

4-1.9.2 Manual Journal Entry Processing Approach

The following table maps the types of manual journal entry to the vehicle by which they are entered into OGL.

Journal Type	Method of Manual Journal Entry	Definition
Standard Journal Entry (post-CDAS)	Manual Journal Entry made through Oracle form	Top-side journal entries initiated by Headquarters.
Standard Journal Entry (pre-CDAS)	JEV Function	Journal entry that is not considered a top-side journal entry (Adjustments). This journal, made pre-CDAS, is subject to CDAS validation. These journals are typically reclassification entries.

Journal Type	Method of Manual Journal Entry	Definition
Adjusting Journal Entry (pre-CDAS)	JEV Function (includes JV Entry forms forwarded to JEV function)	Journal entry made by Postal Service personnel that is not considered a top-side journal entry and is necessitated by processes outside of the national month-end process (Reclassifications). This journal, made pre-CDAS, is subject to CDAS validation.

As outlined in the table above, the Postal Service approach to the journal entry process is defined by the business activity initiating a journal transaction that will be subsequently be captured in the general ledger.

Subledger information is fed from the subsystems through CDAS and into the OGL and the ADM at time of posting. Manual general accounting transactions may include standard, statistical, recurring, and reversing entries. These journals can be entered into OGL through direct access to Oracle forms and the JEV system. Direct entry through an Oracle Form occurs post CDAS, and entry through JEV function occurs pre-CDAS and moves through the process to OGL just as an imported journal moves through the process.

Postal Service field personnel do not have direct access to OGL. They have direct access to JEV, but only for processing JVTs.

Though used infrequently, top-side adjustments can be made directly to OGL using Oracle forms. Re-class entries and "Prior Period" adjustments are made pre-CDAS. This approach increases the validation that a journal entry goes through before it reaches the general ledger.

After an entry has been classified as a manual journal entry, the next step is to determine the type of journal entry to be made. Based on the journal's type, several processes can be followed. Each process can cover more than one way to enter journal information into the ledger. The vehicle by which the data is entered into the ledger is determined by factors that include:

- An event that triggers a journal entry (i.e., month-end analysis and error/exception reports).
- The type of access a journal entry originator has to the general ledger and its user interfaces.

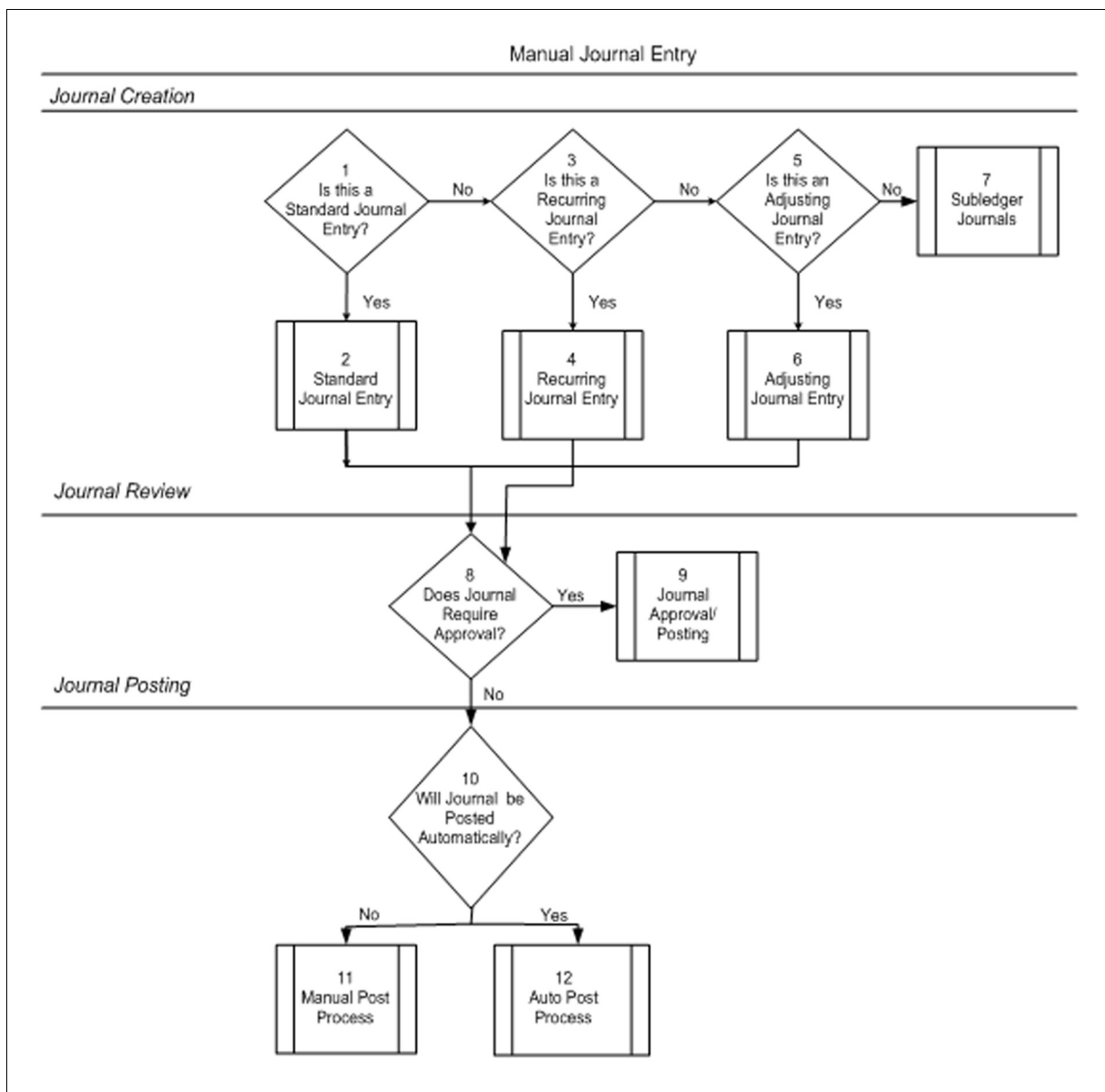
Once a journal entry has been completed and has passed the validation checks (either in CDAS, the GL Interface, or on the Oracle form), it is ready to be approved and posted. These final two processes are outlined in detail within the Journal Approval and Journal Import Process discussion later in this chapter.

The Postal Service uses a naming convention for journal entries. This naming convention is as follows: (JV Number-Location-Initials-Date).

- **JV Number** – The existing number assigned to this journal voucher type.
- **Location** – The location initiating the journal voucher (Headquarters or Accounting Services).
- **Initials** – The individual entering the journal voucher.
- **Date** – The date of the entry being made.

4-1.9.3 Manual Journal Entry Process Overview

The steps for the manual journal entry process are as follows:



4-1.9.4 Detailed Description of the Process

1. Is This a Standard Journal Entry?

If this is a standard journal entry, go to step 2; if not, go to step 3.

2. Standard Journal Entries.

The standard journal entry type is used for most general accounting transactions. Standard journal entries can be made two ways:

- **Directly through the OGL** — these are considered to be true top-side entries made as part of the year-end close.
- **Through the USPS JEV function** — JEV-entered journals constitute the vast majority of manual journals processed.

3. Is This a Recurring Journal Entry?

If this is a recurring journal entry, to step 4; if not, go to step 5.

4. Recurring Journal Entries.

Recurring entries are defined directly in OGL one time and repeated in each subsequent month. Such entries can be defined and used to automate creation of Journals that occur in multiple months using similar criteria.

5. Is This an Adjusting Journal Entry?

If this is an adjusting journal entry, go to step 6; if not, go to step 7.

6. Adjusting Journal Entries.

Adjusting Journal Entries are made either directly through the Oracle form (Accruals and Reversals) or through the JEV process outside of the Oracle system (Reclassifications).

7. Subledger Journals.

Create journal in Subledger.

8. Does Journal Require Approval?

If approval is required before posting the journal, go to step 9. If the journal does not require approval, go to step 10.

9. Journal Approval/Posting.

Certain journal entries go through an approval process before they are posted to the general ledger. The details of which journal entries must go through the approval process and the business rules that govern the process are covered in [4-2](#), Standard Journal Entry Process.

10. Will Journal Be Posted Automatically?

If the journal can be posted automatically, go to step 12. If the journal cannot be posted automatically, go to step 11.

11. Manual Posting Process.

Journal entries posted manually through the OGL forms provide for a review of the journal batch by an accounting employee before the entries are manually posted. More information on the manual posting process is found in [4-2](#), Standard Journal Entry Process.

12. AutoPost Process.

Journal entries can also be configured to automatically post to the general ledger. This auto posting functionality is based on journal

source and/or journal category. Auto posting functionality enables journal batches that pass through the GL Interface to be automatically posted to the GL without any further intervention by accounting personnel. More information on AutoPost is found in [4-2](#), Standard Journal Entry Process.

4-2 Standard Journal Entry Process

Standard Journal Entries are processed in two ways:

- The determination of how a journal entry will be input into the ledger is based upon the purpose of that journal. Year end top-side journal entry using the Oracle forms, is entered directly to Oracle. If a manual journal entry is required outside of the month-end processing time frame or necessitated to correct a subledger error, then it will be made pre-CDAS using the JEV function.
- The vehicle by which a journal entry is made to the OGL is also controlled by user access. A minimal number of users have access to the OGL forms. This is to ensure that journals entered directly into Oracle receive the proper validation by accounting personnel.

4-2.1 Recurring Journal Entries

Recurring journal entries are initiated directly through the use of Oracle forms designated for this purpose. There are three types of recurring entries that can be created:

- **Skeleton Template** — Skeleton recurring entries have the same account combinations in each month but different amounts.
- **Standard Template** — Standard recurring entries use fixed account combinations and amounts in each month.
- **Formula Entry** — Formula recurring entries are like standard entries, but use formulas to calculate the amounts to be entered.

These journals may be created by a Postal Service employee that has access to enter journals into the OGL. Along with ensuring that the recurring entries are generated, it is necessary to incorporate any additional work with the recurring entries into the monthly schedule. For example, if a skeleton recurring entry is defined, the Postal Service employee who is responsible for developing that entry must determine that the proper amounts are entered for that journal each period. Desktop procedures are available to assist in the maintenance of recurring journals created during the original configuration and in the creation of new recurring journals.

4-2.2 Adjusting Journal Entries

Adjusting journal entries are made using several different methods. The method used for data entry depends on the type of adjustment and the user's system access level.

The following table shows the different types of adjusting entries and their associated systems:

Type of Adjustment	Journal Entry User Interface	Explanation
Accrual	Manual Journal Entry made through the Oracle form	Month-End Accrual set to automatically reverse at the beginning of the next month.
Reversals	Manual Journal Entry made through the Oracle form	Month-End Top-Side entry may be immediately followed by a new Manual Journal Entry.
Reclassifications	JEV Function/JV Entry form	Incorrect organizational information or incorrect account coding for the journal entry.

The Journal Entry paper form is available to personnel who do not have access to JEV. The form is completed and forwarded to a person who has authorization to access JEV. That person will input the journal entry information into JEV for processing.

JVTs are reclassification entries, originating primarily in Field locations. Field users are categorized by District or Area and are allowed transfers only within the assigned District or Area. Entries to asset and liability accounts are not allowed.

4-2.2.1 **Prior Period Adjustments**

Prior Period Adjustments (PPAs) are posted to the general ledger in the accounting month the entry is processed. The PPA must identify a "PPA Date" (the date the entry should have been originally posted) to allow the entry to be immediately reflected in that period for historical (same period last year (SPLY)) presentation purposes only. PPAs do **not** change the presentation of original charges/credits in the PPA month.

The PPA Date cannot relate to the current month. Any PPA Date prior to October 1 will be posted in the new fiscal year. PPAs do not affect "Actuals" on the ADM reports. The PPAs only influence the SPLY and year-to-day (YTD) SPLY columns in financial performance reports (FPR) reports.

Example 1:

A JV with Accounting date of 11/15/2006 and a PPA date of 10/14/2006 with \$1000 debit (DR) is illustrated here to demonstrate how a PPA impacts the accounting records.

The JV in this example impacts the FPR report as follows:

- The \$1000 will be reflected in the Adjustment (**NOT** in Actuals) column in the FPR report for NOV-06.
- The \$1000 will be reflected in the YTD Actuals column in FPR report for NOV-06.
- The \$1000 will **NOT** be reflected in the Actuals column in FPR report for OCT-06.
- The \$1000 will **NOT** be reflected in the YTD Actuals column in FPR report for OCT-06.

- e. The \$1000 will be reflected in the Prior FY (SPLY) column in FPR report for the following OCT-07.
- f. The \$1000 will be reflected in the YTD Prior FY column in FPR report for the following OCT-07.

Example 2:

PPAs in the previous FY would also have the same effect. If the PPA was 09/13/2006 the following would be the impact:

- a. The \$1000 will be reflected in the Adjustment (**NOT** in Actuals) column in FPR report for NOV-06.
- b. The \$1000 will be reflected in the YTD Actuals column in FPR report for NOV-06.
- c. The \$1000 will **NOT** be reflected in the Actuals column in FPR report for SEP-06.
- d. The \$1000 will **NOT** be reflected in the YTD Actuals column in FPR report for SEP-06.
- e. The \$1000 will be reflected in the Prior FY (SPLY) column in FPR report for the following SEP-07.
- f. The \$1000 will be reflected in the YTD Prior FY column in FPR report for the following SEP-07.

The Recast report in the ADM is the only report affected by PPAs. With the above scenario, the “Selected Year Prior Period Adjustment” and the “Recast Selected Year” columns in the report will get updated for 10/2006 as a result of the 10/14/2006 PPA in 11/2006.

4-2.2.2 **Key Roles**

The following roles are defined in the manual journal entry process:

Role Name	Postal Service Position	Role Description
System Administrator	Accounting Services Accountant Systems Accountant	Configures journal entry in the OGL in conjunction with the configuration team.
Configuration Team	Accounting Services Core Team Headquarters Core Team	Configures journal entry in the OGL in conjunction with the system administrator.
Journal Entry end user	Headquarters and Executive Administrative Schedule (EAS) employees	<ul style="list-style-type: none"> ■ Enters and uploads journal entries to the OGL. ■ Creates and maintains standard, recurring and other journal entry activities.
Journal Entry Supervisor	Headquarters and Accounting Services EAS employees	Monitors, approves, and posts journal entries.
JEV	Field Users, Accounting Services Accountant, Systems Accountant, Accounting Services Core Team, Headquarters Core Team, Headquarters and Accounting Services EAS	Connects to JEV to create standard journal entries for upload to CDAS for validation and crosswalk.

4-3 Journal Entry Report Descriptions

The vast majority of JV validation is done using ADM reports. However, the OGL does provide a series of reports to facilitate review of journal entries, if needed. A summary description of the reports follows:

Name of Report	How to Use the Report	Description
Journal Batch Summary Report	Review posted journal batches for a particular balancing segment, currency, and date range.	Provides information on journal batches, source batch and posting dates, and total entered debits and credits. Sorts the information by journal batch within each journal entry category. Provides totals for each journal category and a grand total for each balancing segment in the report.
Journal Entry Report	Review journal activity for a given period or range of periods, balancing segment value, currency, and range of account segment values.	Prints the accounting date, category, journal name, reference, journal batch name, entered debit or credit amounts, net balance, and account total for each journal. Also provides: <ul style="list-style-type: none"> ■ A total for each balancing segment in the report. ■ A grand total for all activity in the report.
Journal Line Report	Review all journals, grouped by batch, for a particular journal category, currency, and balancing segment value.	For each journal line, prints the transaction date, account, reference, journal line description, entered amounts and accounted amounts. Provides: <ul style="list-style-type: none"> ■ A total for each journal and journal batch in the report. ■ A total for each journal category and for each balancing segment in the report. ■ A grand total for all activity in the report.

4-4 Journal Entry Vehicle

The JEV is a journal voucher entry application designed to allow users to create, save, edit, and approve/reject manual Journal Vouchers using legacy account numbers and finance numbers. The JEV creates a file containing journal voucher data and makes this data available for retrieval by CDAS. CDAS validates the contents of the Journal Voucher, maps the accounting data to the OGL chart of accounts, and feeds the data to the OGL.

The JEV application resides in the same instance of Oracle as the General Ledger. The creation, editing, and approval/rejection of Journal Vouchers are permitted by the JEV application. Each of the processes are facilitated by web-based user forms and, where required, background programs.

4-5 Creating Journal Vouchers

Before creating a Journal Voucher (JV), users are required to document why the JV is needed and the desired contents of the JV.

Note: Use the JV Entry form to document the JV and submit it to the local office.

After receiving authorization from their local office to create the JV in the JEV application, users with access to the system input the Journal Voucher. Users, whose access to the JEV application is restricted, and/or users who do not have access to the application, fax the hard copy of the journal voucher to someone in their area at an Accounting Services location and/or Headquarters, which has the appropriate access within the JEV application. Authorized personnel must approve the JVs.

While users are creating journal vouchers in the application, JEV conducts various types of validation. Journal vouchers that do not pass the validation requirements are prevented from being saved or submitted for approval.

4-5.1 Saving and Submitting Journal Vouchers

The creator of a JV is able to save the JV while inputting it into the JEV application. The contents of a saved JV can be modified any time prior to the JV submission for electronic approval. After submitting for approval, the creator of the JV is not able to modify the contents of the Journal Voucher.

4-5.2 Inquiring About Journal Vouchers

Although creators of JVs do not have the ability to modify JVs they have submitted, they do have the ability to conduct inquiries about JVs they have created.

4-5.3 Reviewing, Editing, Approving, and Rejecting Journal Vouchers

A select group of users in Eagan and at Headquarters have the authority to review, edit, and either approve or reject Journal Vouchers. These employees have access to an inquiry form that lists the JVs awaiting approval.

Approvers review the details of each Journal Voucher and are able to modify the JV if necessary.

After reviewing the contents of a JV, the approver has the option of either approving or rejecting the Journal Voucher. If approved, the JV is flagged as being ready to feed to CDAS.

If a JV is rejected, it cannot be updated again — it must be reentered.

Rejected JVs remain in the JEV application for auditing purposes, but are not fed to CDAS.

4-5.4 Creating JV Files for CDAS

The JEV application creates a daily file containing all approved JVs that have not been sent to CDAS. During the week of the period close, “Accounting” users have the ability to create data feeds to CDAS on demand. The status of

JVs included in a CDAS extract file has their status changed from “Approved” to “Posted.”

4-5.5 Security and Control Processes

The JEV application uses Oracle Applications responsibilities as the primary point of control for system access to JEV.

Users are registered by the system administrator and receive a User ID. After logging onto the system, users are presented with a list of the responsibilities assigned to them. When a user selects a JEV Responsibility, the user has access to the JEV forms that are available under the selected Responsibility.

4-6 Roles and Responsibilities

4-6.1 JEV User Types/Roles

There are five types of JEV users; each has access to different combinations of finance numbers, JV numbers, and Legacy account numbers as described in the table below:

User Type/Role	Finance Number Access	JV Number Access	Legacy Account Number Access	Approval Authority Within JEV
Field – Cluster	Any finance number within their FDC or PFC	Limited to specific JV numbers	Subset of Expense accounts (accounts with prefix = 5)	No
Field – Area	Any finance number within their area	Limited to specific JV numbers	Subset of Expense accounts (accounts with prefix = 5)	No
Headquarters (includes all HQ users except for “Accounting” or “Potomac”)	Any finance area within: <ul style="list-style-type: none"> ■ Area ■ Program and project organizations for their area 	Limited to specific JV numbers	Subset of Expense accounts (accounts with prefix = 5) plus subset of Revenue accounts (accounts with prefix = 4)	No
Potomac Training Facility	All active finance numbers	Limited to specific JV numbers	Subset of Expense accounts (accounts with prefix = 5)	No
Accounting (includes HQ and Accounting Services)	All active finance numbers	Possible to limit to specific JV numbers	All active account numbers. Accounting users will be the only users with access to payroll accounts (i.e., accounts with a prefix = 51)	Yes. Approvers are in Eagan and HQ

4-6.2 JEV Responsibilities

The JEV application consists of various JEV responsibilities. After logging onto the JEV, users have to choose a Responsibility. Depending on the user type, users may see any combination of the following Responsibilities:

- JEV Entry.

- JEV Approver.
- JEV Super User.
- System Administrator.

The JEV application accommodates the need to add more Responsibilities as future requirements arise.

4-6.2.1 **JEV Entry**

Before creating a Journal Voucher within the JEV application, users populate a form that documents the components of the desired Journal Voucher. This document is approved in the user's local office before the user creates the Journal Voucher in the JEV application.

Users with the JEV Entry Responsibility have the ability to create Journal Vouchers, save these JVs, conduct inquiries about these JVs, and submit Journal Vouchers for approval. These users are able to create JVs based on the roles to which they have been assigned, and they can have any of the following roles:

- Field – Area.
- Field – Cluster.
- Headquarters.
- Potomac.
- Accounting.

4-6.2.2 **JEV Approver**

When selecting the JEV Approver Responsibility, users are able to conduct inquiries to see which JVs require review before they can be loaded into CDAS. These users are able to review each JV requiring approval and have the option to edit these JVs. After reviewing the JVs for content and accuracy, JEV Approvers are able to approve or reject the JV. Although users with the JEV Approver Responsibility are "Accounting" users in Egan and Headquarters, the JEV application provides the flexibility to provide additional users with this Responsibility as required. Approvers are not permitted to approve their own JVs (i.e., JVs created by the approver).

It is important to note that JVs must be authorized at the local level before they are created in the JEV application. JVs must be reviewed after they are created in the JEV application to confirm that they are ready to be fed to CDAS.

4-6.2.3 **JEV Super User**

When selecting the JEV Super User Responsibility, users have the ability to perform the same functions permitted by the JEV Entry Responsibility, and also are able to initiate the on demand JEV file creation for CDAS during the close week. Although additional users may be added as dictated by future requirements, users with the JEV Super User Responsibility are typically "Accounting" users.

4-6.2.4 System Administrator

When selecting the System Administrator Responsibility, users have the ability to initiate the on demand JEV data feeds to CDAS, maintain the JEV tables, and “troubleshoot” system-related issues. Users with the System Administrator Responsibility are also System Administrator(s) for the OGL.

4-6.3 JEV Form Access

User access to specific forms is controlled by the Responsibility assigned to the user. Oracle Applications Responsibility based security prevent users from accessing JEV forms deemed “inappropriate” for their use.

The JEV application includes the following custom forms:

- JEV Entry Form.
- JEV Inquiry Form.
- JEV Approval Form.
- User Maintenance Forms.

Prior to inputting a Journal Voucher, users are required to maintain records at the local level with sufficient documentation and justification for the entries. Each JV is to be authorized at the local level before the JV is entered into JEV. Forms within the JEV application include the standard Oracle copy and paste functionality.

4-6.3.1 JEV Entry Form

After logging on to the JEV application, users use the JEV Entry Form to create, save, conduct inquiries and submit Journal Vouchers for approval.

4-6.3.2 JV Entry Form Fields Overview

Attribute	Field Description	Field Required?	Additional Field Information
JV Number (Header-level)	JV number for which the JV is being created	Yes	List of Values containing the JVs to which the user has access
JV Name (Header-level)	Name for JV being created	Yes	Field will default based on the JV number
Description (Header-level)	Narrative explaining reason for creating JV	Yes	Free form text – alpha-numeric
Accounting Date (Header-level)	Accounting Date for JV header. The Accounting Date at the header level will be used as the source to default the accounting date for each line item	Yes	Date format. Date defaults to current system date. Users are able to modify date, if necessary
Totals – Debits (Header-level)	Displays the total of all the debits input at the line level	Yes	System calculated field – automatically changes when the user changes the dollar amount(s) in the Debit field
Totals – Credits (Header-level)	Displays the total of all the credits input at the line level	Yes	System calculated field – automatically changes when the user changes the dollar amount(s) in the Credit field

Attribute	Field Description	Field Required?	Additional Field Information
Line No.	Sequential counter beginning with the number 10 and incrementing by 10 for each subsequent line	Yes	System generated; user is able to modify this field
Finance Number	Finance Number	Yes	List of Values containing the finance numbers to which the user has access
Account Number	Legacy Account Number	Yes	List of Values containing the account numbers to which the user has access
LDC	Labor Distribution Code	Only required for lines containing payroll accounts	List of Values that becomes "active" for lines containing payroll accounts
Work Hours	Tracks the number of work hours	No	Free form text — numeric. Only available for lines containing payroll accounts
Amount — Debit	Tracks the debit amount for the line	Yes	US Dollar currency format. Default value is 0.00
Amount — Credit	Tracks the credit amount for the line	Yes	US Dollar currency format. Default value is 0.00
Accounting Date	Displays the accounting date for the line item	Yes	System defaults to the line-level accounting date based on the header-level accounting date. Users are able to modify the value in the line-level field, if necessary
Prior Accounting Date	Date for transactions intended to update activity from prior months	No	Date format — users are able to input date in proper format, or select the desired date from a calendar/list of values
Description (Line)	Narrative explaining reason for creating JV line	Yes	Free form text — alpha-numeric. Line-level description will default based on the Journal Description from the header. Users are able to modify this line-level field if necessary
Status	Displays the status of the Journal Voucher	Yes	System defaults to the status

After the creation of a JV is initiated, users are able to return to their JVs at a later date or time for updating purposes. After completing a JV, users are able to submit the JV, which validates the data in the JV. If the JV satisfies the validation requirements, the JV status changes to indicate that the JV is ready for review and approval/rejection.

4-6.3.3 JEV Inquiry Form

The JEV Inquiry Form allows JEV users to check the status of JVs they have already started creating and/or submitted for approval. There are two different JEV Inquiry Forms: (a) a header-level inquiry form; and (b) a detail-level inquiry form. The header-level inquiry form provide users with access to the data originally input for each JV, including the JV Name, Description,

Accounting Date, JV Number, Total Debits, and Total Credits from the Journal voucher initially created by the user. Access to the JEV Inquiry Form is provided to all users who are granted access to the JEV application.

Users are able to drill down to see the details of the journal voucher and have access to all the additional data fields included in the journal voucher through the detail-level inquiry form.

The inquiry form is used for inquiry purposes only and cannot be used to set and/or update any fields.

4-6.3.4 **JEV Approval Form**

The detailed review and authorization of each JV is performed at the local level before the JV is created in the JEV application. After a JV is created and submitted in the JEV application, the JEV Approval Form is used to approve the JV feed from JEV to CDAS.

Each JV requires approval from an employee designated as having authority to approve the JV created by the user. The application is set up to ensure that all JV online approvals come from employees in Eagan. Approvers are not able to approve their own JVs (i.e., JVs they themselves create).

Although multiple people have the authority to access, review, and approve/reject JVs, each JV requires approval from only one person. Providing access to more than one person helps prevent JVs from sitting in the “Ready to Approve” state if/when one or more of the approvers are not accessible for an extended period of time (i.e., when approvers are on vacation, ill, etc.). JVs remain in the “Ready to Approve” state until they are either approved or rejected.

To review and approve a JV, an approver logs onto the JEV application. When accessing the JEV Approval Form, users first see a form that lists all JVs awaiting their approval. Users are expected to drill down to review the details of each JV requiring approval and are able to edit the JV and save the changes if necessary. After reviewing a JV, approvers have the option of either approving or rejecting the JV. If the approver approves the JV, the JV is “flagged” to indicate that it is ready to be included in a CDAS extract file. If the approver rejects the JV, the JV status changes to “Rejected.” Rejected JVs are not included in the CDAS extract file.

Access to the JEV Approval Form is provided to a subset of users in Eagan and Headquarters. The JEV System Administrator has the ability to create additional approval roles and/or add approvers as required.

The JEV Approval Form can also be used to manually create an extract file to send to CDAS.

4-6.3.5 **JEV Maintenance Forms**

A select group of Postal Service employees have the ability to:

- Create and maintain users.
- Create and maintain roles.
- Attach roles to users.
- Associate users to Budget Authorizations, Performance Clusters, and Financial Data Control codes.

- Limit role access to specific JV numbers, and/or finance numbers.

The JEV application includes three forms used for maintenance purposes:

- The Roles Maintenance Form is accessed to create and maintain roles, and to tie roles to specific JV numbers, finance numbers, dollar limit restrictions, etc. Access to the JEV Roles Maintenance Form is granted to System Administrators.
- The JEV Lookup Maintenance Form is used to maintain the List of Values for BA, FDC, and PFC accessed when creating and maintaining JEV users. The values input via this maintenance form are listed in a List of Values for the BA, FDC, and PFC fields listed on the User Maintenance form. Access to the JEV Lookup Maintenance form is granted to System Administrators.
- The User Maintenance Form is used to maintain users and to attach roles to users. It is important to note that users may have more than one role assigned to them. Although not required fields, the BA, FDC, and PFC fields on the JEV User Maintenance Form may be populated by the System Administrator to specify the BA, FDC, and/or PFC to which the user is assigned (for informational purposes only). The BA, FDC, and/or PFC value(s) to which the user is assigned may differ from the BA values, FDC values, and/or PFC values to which the user is granted authority to create Journal Vouchers, as defined by the JEV Roles Maintenance Form.

4-7 System Interfaces

JEV references some Finance Number Control Master (FNCM) tables. JEV has one outbound extract and does not have any inbound system interfaces. The overall approach for JEV integration with other Postal Service accounting applications is through the use of CDAS.

JEV provides data to CDAS in a flat file, which validates the data, conducts some mappings, and feeds the data to downstream applications that may be dependent on JEV information. Each extract file created by JEV is similar in format to the other files generated by other subledgers feeding CDAS.

4-8 Journal Approval and Posting

4-8.1 Introduction

The Journal Approval and Posting process ensures that all journals imported into the OGL are approved for posting. In this discussion, we review the journal approval process that the Postal Service uses to approve journals that are in (have been imported into) the OGL.

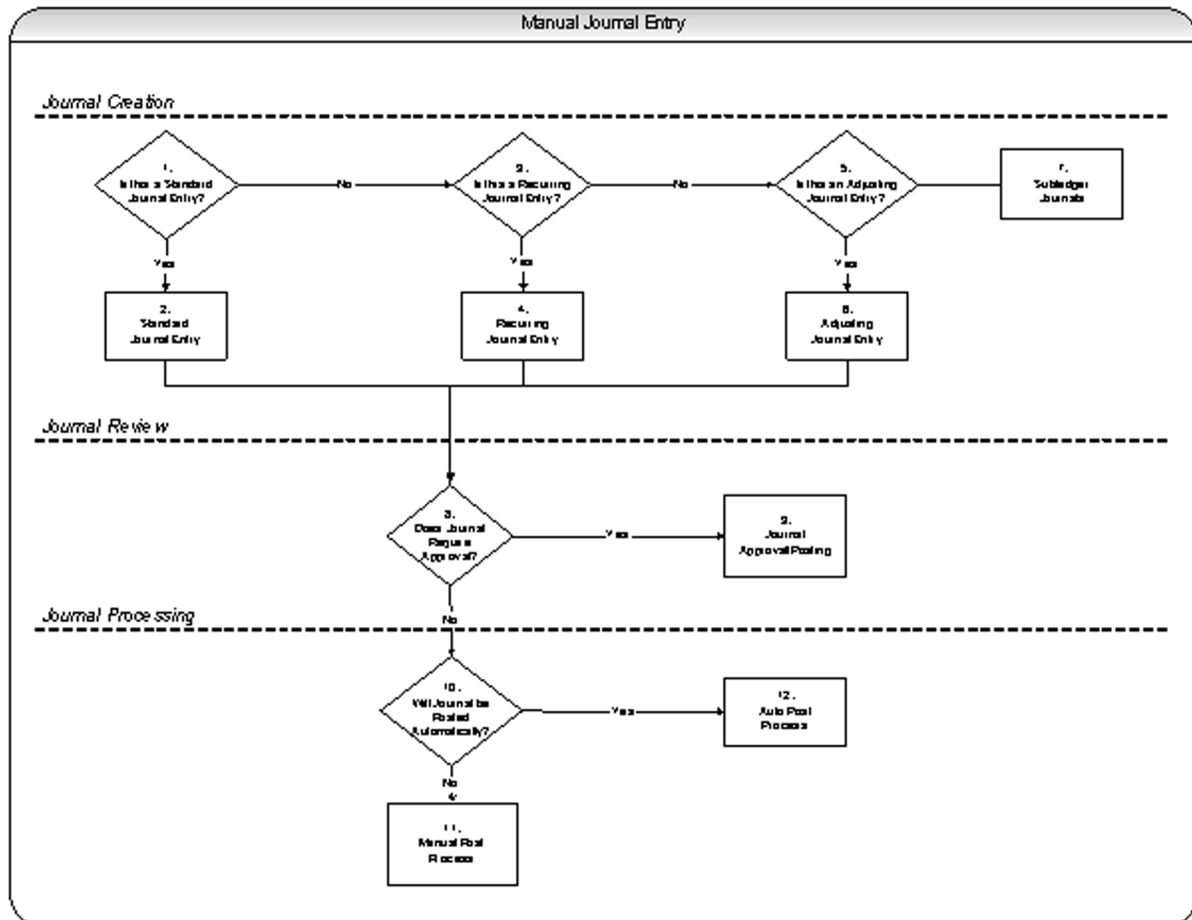
There are two types of journals in the OGL that require approval:

- Those that are interfaced into the OGL by feeder systems such as payroll, accounts payable, and other subledgers.

- Journals created manually in OGL.

4-8.1.1 Manual Journal Import Process

The steps for the manual journal import process are as follows:



4-8.1.2 Detailed Description of the Process

1. Is This a Standard Journal Entry?

If this is a standard journal entry, go to step 2; if not, go to step 3.

2. Standard Journal Entries.

The standard journal entry type is used for most general accounting transactions. Standard journal entries can be made two ways:

- *Directly through the OGL* — these are considered to be true top-side entries that are created for year-end close.
- *Through the Postal Service JEV function* — these are adjusting entries which occur outside of the month-end analysis process.

3. Is This a Recurring Journal Entry?

If this is a recurring journal entry, go to step 4; if not, go to step 5.

4. Recurring Journal Entries.

Recurring entries are defined directly in OGL one time and repeated in each subsequent month. Such entries can be defined and used to automate creation of Journals that occur in multiple months using similar criteria.

5. Is This an Adjusting Journal Entry?

If this is an adjusting journal entry, go to step 6; if not, go to step 7.

6. Adjusting Journal Entry

Adjusting journal entries are made either directly through the Oracle form (Accruals and Reversals) or through the JEV process outside of the Oracle system (Reclassifications).

7. Subledger Journals.

Create journal in Subledger.

8. Does Journal Require Approval?

If approval is required prior to posting the journal, go to step 9. If the journal does not require approval, go to step 10.

9. Journal Approval/Posting.

Certain journal entries go through an approval process before they are posted to the general ledger. The details of which journal entries must go through the approval process and the business rules that govern the process are covered in [4-8.2](#), Journal Approval Process.

10. Will Journal Be Posted Automatically?

If the journal can be posted automatically, go to step 12. If the journal cannot be posted automatically, go to step 11.

11. Manual Posting Process.

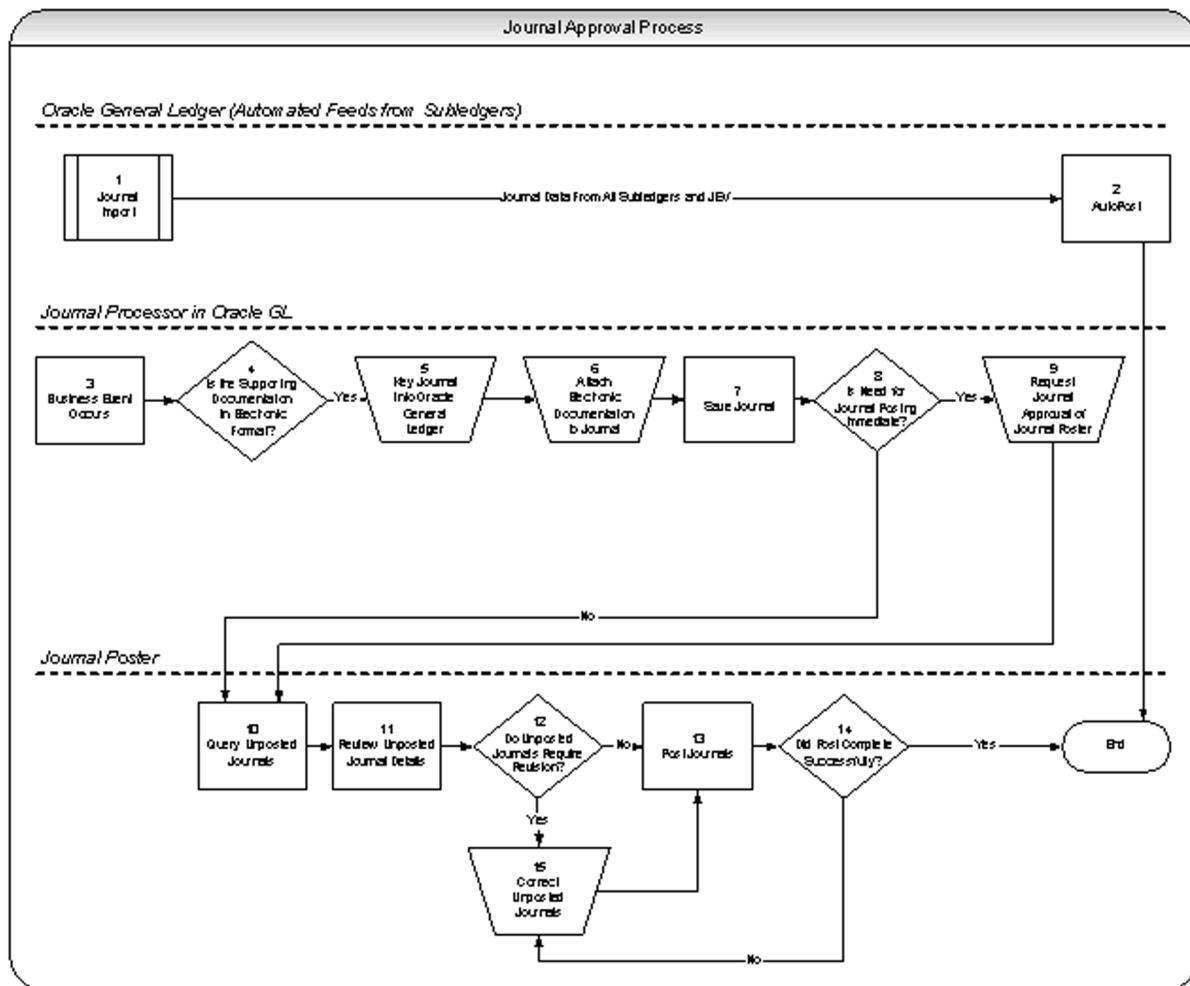
Journal entries posted manually through the OGL forms provide for a review of the journal batch by an accounting employee before the entries are manually posted. More information on the manual posting process is found in [4-8.2](#), Journal Approval Process.

12. AutoPost Process.

Journal entries are also able to be configured to automatically post to the general ledger. This auto posting functionality is based on journal source and/or journal category. The auto posting functionality enables journal batches that pass through the GL Interface to be automatically posted to the GL without any further intervention by accounting personnel. More information on AutoPost is found in [4-8.2](#), Journal Approval Process.

4-8.2 Journal Approval Process

The steps for the journal approval process are as follows:



4-8.2.1 Detailed Description of the Process

1. Journal Import.

The Journal Import program in the OGL runs automatically every time that the CDAS-to-General Ledger interface transmits data; this interface launches the Journal Import process upon its own completion. This program takes journal data from the GL Interface Table and creates journals in the OGL. Journal Import is the vehicle by which journals are created via interface feeds from subledgers. During period-end processing, the journal import may be run on demand based on time requirements.

2. AutoPost.

Journals interfaced through the journal import process do not require manual approval. Journals created by the Journal Import program are posted automatically by an internal OGL program (AutoPost). AutoPost is configured to automatically post journals based on their Source according to an internal maintainable schedule. AutoPost runs daily

and automatically posts journals. In addition, AutoPost may be run manually on demand if there is an immediate need for journals from subledgers to post. AutoPost is not used for journals whose source is Manual.

3. Business Event Occurs.

A business event occurs to start the Journal Approval process for journals created manually in OGL. All other journals coming into OGL are handled via import and AutoPost. Accordingly, journal review and manual posting is only required for journals whose source is Manual.

The business event that requires the journal approval process for manual journal entries is related to the year-end close process and represents the need for a topside adjustment that must be made in the OGL.

4. Is the Supporting Documentation in Electronic Format?

Manual journal creation in the OGL is always accompanied by supporting documentation. This requirement exists only for manual journal entries. Those journals created via a subledger feed do not require backup documentation. This supporting documentation may be in many forms, including:

- An e-mail message requesting that a journal be created for a specific purpose.
- A fax requesting a new journal entry.
- Other written paper documentation.

Supporting documentation is retained by the originator of the journal entry at that location.

5. Key Journal Into OGL.

Using the information provided in Step 3, the Journal Processor creates a new journal entry in the OGL and keys in all required Journal Header and Journal Line data. The journal preparer uses the naming conventions defined in the Journal Entry Vehicle description.

6. Attach Electronic Documentation to Journal.

Supporting documentation is retained by the originator of the journal entry at that location.

7. Save Journal.

Once the journal has been fully entered, the journal processor saves the journal. No further action is required on the part of the journal processor.

8. Is Need for Journal Posting Immediate?

Journal Posters routinely check on all unposted manual journals every week. If the journal that was created in Steps 3-7 needs to be posted and affects account balances prior to the next posting, go to Step 9. Otherwise, go to Step 11.

9. Request Journal Approval of Journal Poster.

The Journal Processor communicates the need for an immediate journal review and posting to the Journal Poster by e-mail, phone call,

or other method. The preferred method is e-mail so that there is an audit trail of the request. Additionally, this step may be bypassed if the Journal Poster is the same individual as the Journal Processor.

10. Query Unposted Journals.

A Journal Poster periodically logs into Oracle and enters the Journals>Post navigation path in order to post manual journals if needed. This is the case during the period-end close process, as manually-created journals are to be posted as soon as possible.

Journal Posters are select members of the Accounting Services staff that have been assigned the responsibility, in addition to dedicated headquarters accounting staff. During the period-close process, the Journal Poster ensures that any pending manually-created journals are posted in a timely fashion so that the proper account balances are reflected.

11. Review Unposted Journal Details.

Journals whose source is Manual require manual review of journal details. In this activity, the Journal Poster reviews the detailed journal information. The Journal Poster is not the same person who created the journal (i.e., not the Journal Preparer). Nearly all Journal Posters have the ability to revise and create new journals. All data that is part of the journal is available for review by the Journal Poster. All journals whose source is Manual must be reviewed in this fashion.

12. Do Unposted Journals Require Revision?

The Journal Poster reviews the journal batch information and determines whether any of it is erroneous. All data that is part of the journal is available for review by the Journal Poster.

13. Post Journals.

Once all journals have been reviewed and/or corrected as deemed necessary by the Journal Poster, the Journal Poster manually posts the selected journals. The Post process is a system request and may take a while to complete depending on the size and nature of the batches being posted, system configuration, network traffic, and other processes being run. The OGL does not allow the posting of out-of-balance journal entries.

14. Did Post Complete Successfully?

When the posting process completes, the Journal Poster checks the output of the posting process in order to ascertain whether the program encountered an error.

15. Correct Unposted Journals.

Based on the assessment of data accuracy in Step 11, the Journal Poster corrects the erroneous journal and reviews the attached backup data for accuracy using the Journals Enter screen. This activity is based on the assumption that the Journal Poster also has the capability to enter journal information.

4-8.2.2 Key Roles

The following table describes key roles involved in the journal approval process.

Role	Description
System Administrator	Maintains User IDs and Responsibilities to ensure appropriate access to journal entry and posting capabilities.
GL Administrator	<ul style="list-style-type: none"> ■ Maintains AutoImport and AutoPost schedules and configuration. ■ AutoImport is the internal Oracle program that transfers journal information automatically and periodically from the GL Interface Table to actually become journals in OGL. This program is responsible for automatically importing all interfaced journal data from subledgers. ■ AutoPost is an internal Oracle program that posts eligible journals automatically and periodically. With respect to the Journal Approval process, it is important to note that all journals that are not manually created within the OGL are posted automatically by the AutoPost program.
Users: USPS Super User	<ul style="list-style-type: none"> ■ Enter journals subject to approval. ■ For the most part, these users are entering a topside adjustment related to the year-end close process. ■ Postal Service policy is to correct all errors on interfaced data as far “upstream” as possible; that is, as close to the source as possible.
Users: Journal Approver and Manual Poster	<ul style="list-style-type: none"> ■ Review and post journals entered by others. ■ Users who have these capabilities are members of Headquarters accounting staff and select individuals at each Accounting Services location who assist in the closing process. ■ Most users who have the ability to Post journals also have the ability to create new journals and modify existing journals. The ability to post and the ability to create/modify journals are two separate functions within the OGL and it is possible to define a Responsibility where a user could post journals but would not be able to create or modify them.

4-9 Alerts

4-9.1 Overview

The OGL includes an alerts process to notify users and administrators of processing errors. The benefits of the alerts process include the following:

- Facilitates the resolution of errors.
- Provides a greater degree of control over the quality of the data that enters the general ledger.
- Enables erroneous data to be corrected before the data enters the general ledger.

Notifications are distributed to subledger process owners, Information Technology support staff, and anyone else who needs to be aware of the failure.

For the alerts process to be effective, subledger process owners must intervene and correct erroneous data. The process also requires escalation procedures for certain file feeds (e.g., Payroll).

The alerts process provides the immediate notification of the failure of any process that moves accounting data further along in the process of posting (e.g., subledger to CDAS feed, Journal Import process, AutoPost process,

OGL-to-ADM data feed). Key among those processes is the processes within CDAS to:

- Validate legacy data from subledgers.
- Map legacy data to Oracle account values.
- Transmit legacy and Oracle values to the OGL.

4-9.2 Recipients

Users who need to know about failed processes (e.g., subledger process owners and Information Technology support staff) receive an alert via e-mail.

Note: The recipient list may be updated as needed. Desk procedures have been defined to address the resolution of errors resulting from the CDAS-to-GL interface.

4-9.3 Roles Involved in the Alerts Process

The following table describes the roles required for the alerts process. Since the entire process of identifying, generating, and distributing alert notifications is automated, the list of roles is somewhat limited.

Role	Description
System Administrator	Maintains User IDs and Responsibilities to ensure appropriate access to journal entry and posting capabilities.
GL Administrator	Maintains AutoImport, AutoPost, and GL-to-ADM interface schedules and configuration.
Alert Distribution List	Receive all Alert correspondence from the OGL. This list may be modified as needed.

5 Commitment and Budget Accounting

5-1 Overview

This chapter explains the commitment and budget accounting processes by which commitments are defined, processed, and stored.

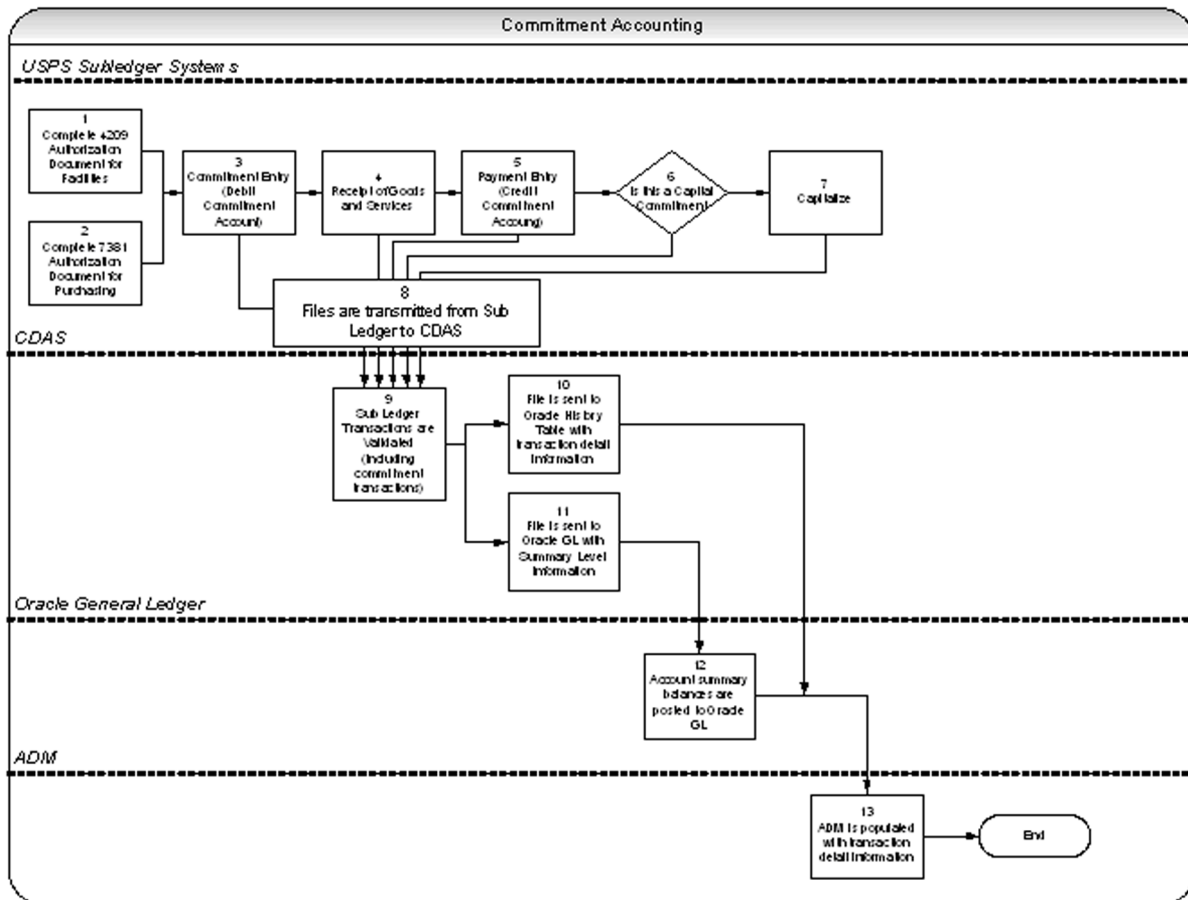
5-1.1 Commitment Accounting

Commitment accounting is a process whereby the Postal Service tracks capital costs and some expenses as they relate to a budget before the actual capital or expense charges appear in the financial statements. Along with providing useful information for internal reporting, commitment tracking is also a federal reporting requirement for the President's unified budget. This requirement dictates that the Postal Service Accounting and Reporting System provide a vehicle to manage its commitment reporting requirements. Detailed information about commitments is only stored in the Accounting Data Mart (ADM), not in the general ledger. Because detailed information about commitments is only stored in the ADM, all commitment reporting is performed out of the ADM.

5-1.1.1 Commitment Accounting Process

The relevant natural account numbers for the commitment accounting process begin with "7" (expense commitments) and "8" (capital and inventory commitments). Postal Service subledger systems generate accounting entries and send files to the Corporate Data Accounting System (CDAS) with all of the subledger transactions (including journal entry lines that affect commitment accounts). Each series of commitment accounts is self balancing. Prior period adjustments for commitment accounts will follow the same process as for other accounts. They are recorded in the current period within the Oracle General Ledger (OGL) and the detail of the transaction resides in the ADM.

Detailed information about commitments is only stored in the ADM, not the OGL. The OGL has four 'summary' accounts within its chart of accounts — one for the 7-series of natural accounts and three for the 8-series of natural accounts (Control Account, Budget/FPR Line Number and No Budget/FPR Line Number). CDAS summarizes all commitment transaction lines and transmits the balances into these four accounts within the OGL. These accounts are used for reconciliation purposes. CDAS also sends a separate file with the detail journal information to the Oracle History tables in order to populate the ADM. Because detailed information about commitments is only stored in the ADM, all commitment reporting must be done out of the ADM.



5-1.1.2 Detailed Description of the Process

1. Complete PS Form 7381, *Requisition for Supplies, Services, or Equipment*.

When the Postal Service recognizes a need for goods or services, it initiates a contract. The contract must go through the appropriate approval and authorization processes. Once the approval is granted and a contract number is assigned, the commitment is processed within the Accounts Payable system. The Accounts Payable system then transmits information to CDAS daily. This is an automatic process and is controlled by a job scheduling system.

2. Complete PS Form 4209, *Project Authorization*.

When the Postal Service recognizes a need for building improvements, repairs, or a need for a new Postal building, Facilities initiates a contract within the eFacilities Maintenance System (eFMS). The contract must go through the appropriate approval and authorization processes. Once the approval is granted and a contract number is assigned, Facilities processes the commitment within the Project Financial System (PFS) of the Facilities Management System-Windows (eWIN). PFS transmits the information to CDAS every day.

3. Commitment Entry (Debit-to-Commitment Account).

Once the contract is entered into the subledger, the system generates a debit to the appropriate commitment account. This entry is then transmitted to CDAS the next time a file is sent. Files are sent daily from the Accounts Payable system to CDAS and then on to the GL and the ADM.

4. Receipt of Goods and Services.

Accounting Services personnel in all locations record the receipt of goods and the completion of services in the appropriate subledger system.

5. Payment Entry (Credit to Commitment Account).

Accounts Payable personnel create a payment for the goods and services within the Accounts Payable system. The payment is issued after the receipt of goods and/or services. The payment creates an offsetting credit to the commitment account that was debited when the purchase order was created within the subledger system.

6. Is This a Capital Commitment?

If this is a capital commitment, go to step 7; if not, the file is sent from the subledger to CDAS.

7. Capitalize.

For capital commitments, after all work on the contract is completed and final payment has been made, the capitalization process creates an asset that is to be placed in service and depreciated. Capitalization of personal property is processed in the Accounts Payable system when established criteria are met.

8. Files Are Transmitted From the Subledger to CDAS.

Files are transmitted from the subledger to CDAS.

9. Subledger Transactions Are Validated (Including Commitment Transactions).

When subledgers create commitment transactions, they are transmitted to CDAS. CDAS then performs edits and validation on the affected accounts as well as map the transaction lines to one of two summary accounts for the Oracle GL (based on whether or not the commitment account begins with a 7 or an 8).

10. File Is Sent to Oracle History Table With Transaction Detail Information.

A file is sent from CDAS to the Oracle GL Interface and History tables. See Chapter 4, Oracle General Ledger Import, for more information about this process.

11. File Is Sent to OGL With Summary-Level information.

A file that includes summary-level information is transmitted to OGL.

12. Account Summary Balances Are Posted to OGL.

The four summary account lines are posted to OGL once they pass the interface validation and import. This process is run by Oracle's AutoImport function.

13. ADM Is Populated With Transaction Detail Information.

Once the summary information has been posted to OGL, the ADM is populated with all of the commitment detail and summary information.

5-1.1.3 Commitment Reporting

There is a reporting vehicle that works with the ADM which enables ad hoc reporting to be done on the data housed within the ADM. Postal Service personnel who require access to commitment data are given access to the tool in order to execute their reports.

The reporting tool uses a database query language to compile the reports. Specific data element access must be granted to Postal Service personnel in order to run the queries within the ADM. Once the queries have retrieved the data, the tool provides a method in which to compile the necessary commitment data reports.

5-1.2 Budget Accounting

In addition to the federal reporting requirement, the Postal Service is also responsible for creating, updating, analyzing, and reporting on the Postal Service budget. The Postal Service Budget organization creates budgets within several subledger systems. Budget/budget components are created within the subledger systems and then consolidated to National Budget System (NBS). NBS creates a Journal Voucher (JV) file that it transfers to the CDAS. CDAS then transfers the budget information received from NBS directly to the ADM. This information is never transferred to the OGL.

5-1.2.1 Budget Accounting Process

All budget information is tracked based on a September 30 budget-year-end. This section discusses the process by which budgets are defined within the OGL and uploaded to the ADM from the budget subledger systems.

5-1.2.2 Creating the Budget

The Postal Service uses data from several separate subledger systems to build the budget. Budget/budget components are created within the subledger systems and then consolidated by NBS. NBS creates a separate budget file for transmission to CDAS. Budget data adjustments are made at the subledger level prior to processing through CDAS.

CDAS transfers the budget journal entries directly to the ADM. These entries are not mapped and posted to OGL due to processing efficiency considerations. Only the budget version identification number is stored within OGL.

5-1.2.3 Updating and Storing Budget Information

Updates can be made to budgets without reloading the entire budget. Each budget is uploaded as a new version every calendar period, and previous budget versions are preserved. Multiple budget versions enable reports to be run against several budgets; therefore, it is very important for budget personnel to clearly define which version of the budget to request. All reports with budget information (from the ADM) contain labels that denote which

budget version was used to create the report. This helps to mitigate the risk of selecting and reporting on the wrong budget version.

It is possible to store budget versions within the ADM. The budget information is captured at a finance number (or the equivalent in the OGL Chart of Accounts) and FPR line level. It is understood that if the Chart of Accounts holds natural account at a level of detail below Line number, summary values will be created to capture Budget information in the OGL. Budget reports are generated monthly. All budgets interfaced to OGL follow the naming convention: *USPS MM/DD/YYYY*.

5-1.2.4 **Key Roles**

The following table describes the key roles involved in the Budget process.

Role	Postal Service Position	Description
System Administrator	Accounting Services Accountant System Accountant	Configures budget information in OGL in conjunction with the configuration team.
Configuration Team	Accounting Services Core Team Headquarters Core Team	Configures budget organizations and budget "header" information within OGL in conjunction with the system administrator.
Budget User	Headquarters' budget organization	Enters and uploads budget journal entries to OGL.
Upload User	Reserved for future use.	Enters and uploads budget journal entries to OGL.
JEV	Reserved for future use.	Connects to JEV to create budget updates
Budget Inquiry	Reserved for future use.	Provides inquiry access to budget data.

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6 Period Close Process

6-1 Overview

This chapter provides an overview of Postal Service closing processes.

The Postal Service operates on a calendar month accounting cycle with a government fiscal year end of September 30.

The month-end closing process is generally a 7-calendar-day process with the year-end process usually extended to allow for additional review and analysis. The transmission of data from the subledgers is generally completed within the first 3 days of the closing process. The remaining days are spent analyzing, reconciling and closing the books, and obtaining sign-off.

Accruals are prepared for systems where the processing schedule does not match the close schedule (e.g., Payroll). These accruals are reversed as soon as the actual data is available and processed. Subsystems are unavailable during the extraction process.

6-1.1 Period Close

Note: Because Headquarters Corporate Accounting plays an integral role in the period close process, it is included in this subchapter.

Period closing is the process by which the financial books and systems are closed based on a predetermined closing schedule (monthly, quarterly, annually). All Accounting Services locations will close the financial systems for which they are responsible, prepare and record manual JVs, and perform monthly account reconciliations.

Headquarters Corporate Accounting is responsible for overseeing the monthly, quarterly, and annual close activities; addressing issues as they arise during the close process; and preparing the preliminary financial results for the Chief Financial Officer and Controller before the Financial Reporting process begins.

The Period Close process is broken down into the following subgroups to align with the activities performed at each of the separate geographic locations:

- a. Headquarters.
- b. St. Louis.
- c. Eagan.
- d. San Mateo.

6-1.2 **Period Close “At-a-Glance”**

6-1.2.1 **Related IT Systems (Internal)**

- a. Accounting Enterprise Data Warehouse (EDW) Reporting.
- b. National Accounting Oracle Financial Application.

6-1.2.2 **Headquarters**

Monthly Closing

6-1.2.3 **Accounting – Corporate Financial Reporting Monthly Close Establish Close Schedule**

The Accounting Team Lead in Corporate Financial Reporting (CFR) develops a financial close schedule, updated on a monthly basis, for use at Headquarters (HQ) and each Accounting Services location.

Daily teleconferences between CFR, Accounting Services, Accounting Policy, Information Technology (IT), and other HQ groups (as needed) start about 5 days before the end of the month. During each call, the Accounting Team Lead at HQ and each Accounting Services Senior Accountant discuss the status of the close process and any issues that arise.

The Chief Financial Officer reviews the period financials with pertinent HQ groups and provides comments or recommendations for adjustments prior to approving the close of the general ledger. The CFR Manager approves any required adjusting entries and notifies the CFR Senior Accountant of the changes. Adjusting JVs are entered as needed. Upon completion of any adjusting JVs the Eagan Finance Branch is advised to close the general ledger for the current period.

6-1.2.4 **Quarter and Annual Closing**

The activities performed by HQ CFR during the monthly close process are similar to those performed for the quarter and year-end close processes. The main difference is that, upon opening the new fiscal year at year-end, all revenue and expense accounts are cleared to equity. Revenue and expense accounts must reflect a beginning balance of zero. The net difference between revenue and expense post-close balances will be reflected as a credit (profit), or debit (loss) in the retained earnings accounts. Additionally, several asset, commitment, and capital accounts are rolled up to beginning-of-year, .001 subaccounts.

6-1.2.5 **Post Closing Adjustments**

Accounting – Corporate Financial Reporting

Occasionally after a period has closed, adjustments need to be made. The CFR Manager and Accounting Manager evaluate possible adjustments, considering each individually and in the aggregate for revenue, expense, assets, and liabilities. If CFR officials determine that an adjustment is required, they ask Accounting Services, Eagan, to reopen the period for the processing of additional journal entries.

6-1.3 **Accounting Services — St. Louis MO**

All Branches

The St. Louis Accounting Services Accountant receives the monthly, quarterly, and annual close calendars from HQ CFR before the close process begins. The calendar indicates the dates of closing, teleconference meetings, opening of the Oracle General Ledger (OGL) for the next period, and other related close process dates. The accountant adds local items (e.g., account reconciliations and balance sheet review dates) to the calendar prepared at HQ and distributes to the following St. Louis branches:

- a. Accounts Payable.
- b. Field Sales.
- c. International Accounting.
- d. General Accounting.

System Accountants provide daily status updates to Accounting Services Accountants as well as reports on issues encountered during the closing period. An example of an issue investigated and corrected by System Accounts and Accounting Services Accountants — a system does not report revenue for one day. If an issue cannot be resolved by the System Accountant, a remedy ticket is created through the IT help desk.

An overview of the monthly closing process is documented within the “Accounting Services — St. Louis Month-End Closing Checklist.” Varying levels of detailed monthly, quarterly, and annual closing processes are documented across all four branches in St. Louis. The recurring major Journal Vouchers (JVs) prepared during the monthly close are documented in the “Accounting Services — St. Louis Major Journal Vouchers Checklist.” Systems Accountants in each branch ensure that all mechanical and manual JVs are processed and are reasonable and accurate.

Fluctuation analysis is performed on balance sheet accounts prior to close to validate reasonableness.

Upon the review and successful completion of all processes related to the period close, HQ CFR and Accounting Services, Eagan, are advised.

Upon the close of each period, formal account reconciliations are completed.

6-1.4 **Accounting Services — Eagan MN**

6-1.4.1 **All Branches**

Accounting Services personnel receive the monthly, quarterly, and annual close calendars from HQ CFR before the close process begins. The calendar indicates the dates of closing, teleconference meetings, opening of the OGL for the next period, and other related close process dates.

Personnel from the Finance, Payroll, and Accounts Reconciliation Branches provide daily status updates to Accounting Services Accountants as well as reports on issues encountered during the closing period. An example of an issue investigated and corrected by Systems Accounts and Accounting Services Accountants — a meter file is missing for a given day. If an issue

cannot be resolved by the Systems Accountant, a remedy ticket is created through the IT help desk.

A monthly checklist to track critical JVs is maintained at Eagan. The checklist includes critical JVs to be recorded and the dates each is expected. An Accounting and Control Specialist is responsible for tracking the automated JVs to ensure they are posted timely. Standard (routine) manual entries that are specific to Eagan are also tracked on this checklist. A review of this checklist and sign-off evidencing review is completed prior to period close.

Additionally a Senior Accounting and Control Specialist runs an Accounting Data Mart (ADM) report to obtain all JVs processed for the period. Eagan JVs are compared to the Journal Voucher Checklist and PS Forms 824 (manual JVs) to ensure all are accounted for.

Fluctuation analysis is performed on balance sheet accounts prior to close to validate reasonableness.

The general ledger for the current period closes on approximately day 7 after the end of the period. When the OGL is ready to be closed, CFR sends an e-mail to Accounting Services, Eagan, instructing them to close the OGL. Eagan then closes the OGL period and sends a notification e-mail to a designated group of employees.

Upon the close of each period, formal account reconciliations are completed.

6-1.5 **Accounting Services – San Mateo CA**

In Accounting Services, San Mateo, the Contractual Payables Branch processes invoices with contracts; the Field Payables Branch processes invoices without contracts

6-1.5.1 **All Branches**

San Mateo personnel receive the monthly, quarterly, and annual close calendars from HQ CFR before the close process begins. The calendar indicates the dates of closing, teleconference meetings, opening of the OGL for the next period, and other related close process dates.

A JV Checklist is maintained to track completion of month-end manual JVs noting preparer, date of input, review, and submission, Eagan JEV approvals, and posting of JVs in ADM as evidenced by dates noted by Accounting and Control Specialist on the JV checklist.

The responsible employee posts the period-close JVs from each subledger, either manually or through an automated process.

Once Oracle Accounts Payable closes, the designated Systems Accountant starts the month-end close process for Oracle Fixed Assets. The month-end close process for the Vehicles sub-ledger does not require Oracle Accounts Payable to close (always closes on the first business day of the following month).

6-1.5.2 **Depreciation Analysis**

After Oracle Fixed Assets is closed, designated Systems Accountant performs monthly depreciation analysis; this process compares the current month's depreciation totals to the prior month's depreciation totals to

determine if the variances are reasonable. For Equipment, the comparison is provided to the HQ Accounting Team Lead-Policy and if there is more than a 5% change from the prior month's depreciation, an explanation and justification for the variance is provided to HQ Corporate Accounting.

Fluctuation analysis is performed on balance sheet accounts prior to close to validate reasonableness.

Upon review and successful completion of all processes related to the period close, HQ CFR and Accounting Services, Eagan, are advised.

Upon the close of each period, formal account reconciliations are completed.

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7 Financial and Operational Reporting

7-1 Overview

The Postal Service uses the Oracle General Ledger (OGL), including its Financial Statement Generator (FSG) functionality, and the Accounting Data Mart (ADM) for financial and operational reporting. Various standard, specialized, and FSG reports are generated to meet the financial and operational reporting needs of the Postal Service. These reports are continually updated to keep pace with the Postal Service's evolving business needs.

Effective use of OGL/FSG reporting requires that all changes to accounting flexfields be communicated timely and accurately to the reports maintenance group. If these changes are not communicated timely and accurately, it can impact the accuracy of certain reports. The OGL holds a finance number level of detail. The financial reporting performed through the OGL is standardized to facilitate consistency of reporting.

The ADM is a financial and operational reporting vehicle that functions as a key part of the Postal Service financial reporting system. A significant amount of financial reporting and all operational reporting is performed through access to the ADM. While the OGL has executive level financial reporting capability, certain financial reporting is only derived from the ADM. For example, all rate case, budget, field, and capital commitment group reporting originates from the ADM. In order to accomplish this reporting objective, all summary and detail level data must reside in the ADM.

The summary data in the OGL should always equal the detail data in the ADM. Key reconciliation reports are generated and used to ensure that this balance is maintained. The ADM is updated daily. Data in the ADM is available 24 hours a day, 7 days a week, except for minimal maintenance time. Once journals are posted in the OGL, a journal synchronization process transfers the journals to the ADM so that OGL and ADM are in sync. An extensive array of ADM reports is available to provide quality management information to the Postal Service.

7-2 ADM Transfer and Interface Process

The ADM transfer and interface processes are a critical part of the Postal Service financial and operational reporting process. This process ensures that the OGL and the ADM are equal. Within the overall interface processes

between the OGL and the ADM are five distinct categories of interfaces. While the technical specifications of those interfaces are beyond the scope of this discussion, it is important to note that these interfaces are part of the OGL-to-ADM transfer process. The five categories of interfaces are:

- Journal Synchronization.
- Budget Synchronization.
- General Ledger Balance Synchronization.
- Master Data Synchronization.
- Other Data Synchronization.

Once journals are posted in the OGL, the journal synchronization process transfers the journals to the ADM so that OGL and ADM are in sync. This process is the result of several distinct processing programs. The programs include steps to extract information from posted journals. It also includes loading journals into the ADM and performing the detail reconciliation processes.

Budget synchronization occurs only at the budget “version” level.

General ledger balance synchronization compares actual, budget, and commitment balances for detail and summary accounts to the ADM balances.

- Master data synchronization involves extracting master data from the OGL and the FNCM and transferring that data to the ADM and CDAS.
- The journal definition synchronization process transfers data on the Journal Definition to the ADM.
- The legacy chart of account synchronization process transfers data on the Account Number Control Master (ANCM) to the ADM.
- The account mapping synchronization process transfers data in the mapping tables to the ADM, together with the ANCM.
- The lookup table synchronization process transfers data from the lookup tables to the ADM, together with the ANCM.
- The Labor Distribution Code (LDC) synchronization process transfers the LDC list to the ADM.
- The FPR to Oracle mapping synchronization process transfers the FPR mapping to ADM. The Oracle Chart of Account synchronization process transfers the ANCM to the ADM.
- The Calendar synchronization process determines that the month activity is complete and the month is reported closed.

Other synchronization processes involve year-end close and month-open data.

7-3 Key Roles

The following are basic roles involved in the ADM reporting process.

Role	Postal Service Position	Description
ADM Users	Headquarters and Accounting Services Data Collection Site (DCS) employees, levels 14–18	Run detail and summary reports out of the ADM. Users include personnel from Budget, Rate Case, Costing, Marketing, Office of Inspector General, external auditors, etc.
Accounting Personnel – Accountant	Systems Accountants and Accounting Services DCS employee, level 18	Responsible for the control reports generated by the ADM and the OGL. Review reports to reconcile ADM totals to OGL totals.
Information Technology – Raleigh	Database Support Services (DBSS)/concurrent manager	Schedules problem resolution.

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8 Reconciliation Process

This chapter explains the processes and definitions by which reconciliations of general ledger accounts and other items are performed. Although the primary focus is the general ledger account reconciliation process, guidance for reconciliations of U.S. Treasury statements, operating reports, and W-2s is also provided. This chapter provides information about:

- Key elements of the reconciliation process and the reporting requirements for the Accounting Services and Headquarters
- An overview of processes and information on how to reconcile general ledger accounts and other balances using PS Form 3131, *Standard Reconciliation of Accounts*.

8-1 Purpose

The reconciliation process helps ensure the integrity of financial systems. The general ledger of the Postal Service provides current account balances and summarized transaction history for all legacy accounts listed in the chart of accounts.

The purpose of account reconciliations is to identify and correct any differences between subsidiary ledger (detail) totals and the general ledger balance of an account. This is done through a systematic process of ensuring that the subsidiary ledger support total and general ledger account balance are in agreement or that all differences are identified and correcting entries are processed on a timely basis.

8-2 Comparing Balances

The Postal Service reconciliation process compares summarized balances to detailed reports — such as comparing subsidiary ledger totals to the corresponding general ledger account. Differences are identified through an analysis of transactions affecting the two balances so as to bring the balances into agreement.

8-2.1 Identifying Sources of Differences

Differences typically arise items in transit, omissions, and errors, as shown in the table below.

Difference	Source of Difference
Items in Transit	Transactions that have been recorded in one set of records but not in the other due to timing differences (e.g., deposits or checks recorded in the checkbook but not yet included in the bank statement).
Omissions	Items recorded in one set of books but not recorded in the other (e.g., bank service charges that are recorded on the bank statement, which need to be recorded in the checkbook).
Errors	Items recorded erroneously in one set of books but recorded properly in the other set of books (e.g., recording the wrong amount for a check in the checkbook or a bank error in which another customer's banking activities are recorded to your account).

8-2.2 Preparing the Formal Reconciliation

After the analysis process has been completed and differences have been identified, the formal reconciliation is prepared. Preparation generally consists of two parts, as shown in the table below.

Part	Description
1. Reconcile General Ledger	An employee reconciles the general ledger to the correct balance as of the specified date. This part includes items in transit that have been recorded in the subsidiary ledger but not yet in the general ledger, as well as errors and omissions that require correcting entries to the general ledger.
2. Reconcile Subsidiary Ledger	An employee reconciles the subsidiary ledger to the correct balance as of the specified date. This part includes items in transit that have been recorded in the general ledger but not yet in the subsidiary ledger (not a common occurrence). It also includes any errors and omissions that require that corrections be made to the subsidiary ledger.

The employee who prepares the formal reconciliation must make sure that all necessary corrections are made to the general ledger and subsidiary ledger detail prior to the end of the next reconciliation period. This is an integral and probably the most important aspect of the reconciliation process. Supervisors and Systems Accountants who are responsible for review and approval of the reconciliation should also ensure that all omissions and errors are corrected on a timely basis.

8-3 The Reconciliation Process

The Reconciliation process includes these topics, which are described in the [8-3.1](#) through [8-3.4](#):

- Types of Reconciliation.
- Identification of Responsible Individuals.
- Frequency and Work Scheduling.
- Accounting Services Responsibilities.
- Responsibility for follow-up action.

8-3.1 **Types of Reconciliation**

The Postal Service requires Finance to perform two types of reconciliation:

- Reconciliation of general ledger balances with subsidiary ledger balances or equivalent substantiating documentation (e.g., bank statements, W-2 information).
- Reconciliation or zero balancing of accountability recorded in a general ledger account, showing pending and current adjustments that consummate reconciliation of the previous period.

The formal reconciliation statements (or the underlying worksheets) must show sources of information used and reconciling actions taken or pending.

8-3.2 **Identification of Responsible Individuals**

Each reconciliation must indicate the date of completion and the signatures and titles of the preparer, the approving official, and the systems accountant.

8-3.3 **Frequency and Work Scheduling**

Accounting Services employees must perform reconciliation functions, without exception, in accordance with the established schedules. These functions are as follows:

- Preparing PS Form 3131 for general ledger asset, liability, and equity accounts.
- Performing Zero Balance Control.

8-3.4 **Responsibilities**

8-3.4.1 **General Ledger Control Accounts**

Accounting Services staff maintain general ledger control accounts and must adhere to the following reconciliation responsibilities:

- Establish scheduled reviews of reconciliation submitted.
- Ensure that corrective actions are taken for unreconciled accounts.
- Complete the reconciliation process by the next month.
- Complete reconciliations for September as per closing instructions or audit requirements issued by Corporate Accounting.

8-3.4.2 **Reconciliation Control List**

Accounting Services staff must maintain a reconciliation control list. The process for responsibility and follow-up action is as follows:

1. Include in the reconciliation control list all general ledger accounts whose reconciliation responsibility lies within that Accounting Services location, and a list of any other reconciliations that are required on a periodic basis.
2. Update this list each accounting month, with the addition or deletion of accounts.

3. Annotate completed reconciliations and forward a list of delinquent reconciliations to the manager at each location for action each accounting month.
4. Review all completed reconciliations and take action to alleviate problems such as:
 - Improper preparation.
 - No follow-up action.
 - Unreconciled balances.
 - Delinquent reconciliations.
5. Meet periodically with reconciliation employees to resolve problems and assist in preparing procedures to be used in the reconciliation of new accounts.
6. Upon request, provide completed reconciliations to both internal and external auditors for review.

8-4 PS Form 3131, Standard Reconciliation of Accounts

8-4.1 How to complete PS Form 3131

Complete PS Form 3131 as follows.

The form and attached backup should provide **complete**, stand-alone documentation to support the account balance.

Header Information

- *Month and FY* — Show month and fiscal year (e.g., October FY06).
- *Primary Account Number* — Show 5-digit general ledger account number.
- *Subaccount Number* — Show 3-digit suffix to general ledger account number.
- *Account Title* — Show official title of the account as listed in the Account Number Control Master (ANCM).
- *Balance Sheet Category* — Show the summary balance sheet category into which the account is summarized.
- *End Date* — Show last day of the month (e.g., 10/31/05).

Number Items (Show amounts in applicable column as a debit or credit, and attach backup material to support each entry.)

1. *Balance Per General Ledger* — Show final balance of general ledger account.
2. *Adjustments Affecting Above General Ledger Balance to Reconcile* — Show adjusting items, such as items posted to the general ledger in error, items omitted from posting due to errors or timing differences, and differences between correct amount and incorrect amount posted. For errors, show planned date of correction.
3. *Adjusted General Ledger Balance* — Net of lines 1 and 2 above.
4. *Subsidiary Ledger Balance* — Show total of subsidiary record.

5. *Adjustments to Subsidiary Ledger* — Show adjusting items, such as items posted to the subsidiary ledger in error, items omitted from posting due to errors or timing differences, and differences between an incorrect amount posted and the correct amount. For errors, show planned date of correction. For un-reconciled items, show planned action.
6. *Adjusted Subsidiary Ledger Balance* — Net of lines 4 and 5, which also should equal line 3.

Footer Items

Preparer's Name and Title — Typed or printed name and title of person preparing the form.

Signature of Preparer — self-explanatory.

Date — Date form was prepared

Approving Official's Name and Title — Typed or printed name and title of person approving the form.

Signature of Approving Official — Self-explanatory

Date — Date form was approved.

System Accountant's Name and Title — Printed or typed name of system accountant reviewing the form.

System Accountant's Signature — Self-explanatory.

Date — Date form was reviewed by the systems accountant.

Notes:

- Review posting from ledger to reconciliation form.
- Check for transposition of numbers.
- Check the accounting month and fiscal year of the general ledger and support.
- View all attached analysis.
- Verify support. Did the subsidiary list types of edit errors? Were there any additional in-transit listings or certifications of which one may not be aware?
- Determine whether any journals affecting the period being reconciled are entered in a subsequent accounting month or ledger.
- Review the ledger for any unusual entries.
- Check that the subsidiary ledger agrees with the amounts listed in the journals that become part of the subsidiary.
- Review changes to programs that might impact the reconciliations.
- Verify that expected adjustments for prior reconciliations were made properly.
- Know what each accounting program does.

8-4.2 Reconciliations Not Submitted on PS Form 3131

Do not submit the following reconciliations on PS Form 3131:

- Flexible Spending Accounts (Spreadsheet Analysis — Eagan).
- W-2s (Spreadsheet Analysis — Eagan).
- Commercial Bank Activities (Bank Statements/Spreadsheet).
- Retirement Master to Employee Master (Eagan Analysis).
- Reconciliation of U.S. Treasury Statement of Differences (HQ Analysis).
- Cash Deposits of Revenue (Headquarters Activities) (Spreadsheet Analysis).
- IRS Form 941, *Employer's Quarterly Federal Tax Return*
- Allowance for Doubtful Accounts (Spreadsheet Analysis and sent to HQ).
- Employee Overages/Shortages (Spreadsheet Analysis).

8-4.3 PS Form 3131

RESERVED FOR PS FORM 3131

8-4.4 Postal Service Account Reconciliation Responsibilities

HQ Corporate Financial Reporting (CFR) and Accounting Services personnel are responsible for the reconciliation of Postal Service balance sheet accounts. Each month an Account Reconciliation Master List reflecting account number changes for the month is forwarded by Accounting Services, Eagan, to Corporate Financial Reporting and Accounting Services in San Mateo and St. Louis. Pertinent information on the list includes the account number, account name, and location (HQ or Accounting Services group) responsible for reconciliation of each balance sheet account.

9 Audit Functions

This chapter explains how the Postal Service ensures that its financial information is reliable, its assets are protected, and that the organization adheres to generally accepted accounting principles (GAAP) and proper internal control processes. Included within this information are internal control considerations including segregation of duties, internal audits, independent audits and other related topics.

9-1 Internal Control Processes

Internal control processes are those actions taken within the Postal Service to assist in regulating and directing the activities of the organization. These processes include organizing and coordinating activities to ensure that financial information is reliable and that assets are protected and controlled. The Financial Control and Support team, the Office of Inspector General (OIG), and independent audit functions assure adherence to GAAP and proper internal control processes.

9-1.1 Responsibilities

Postal Service management is responsible for the following internal control processes:

- Adhering to GAAP.
- SOX Compliance (for details, see <http://blue.usps.gov/sox/welcome.htm>).
- Maintaining an effective system of accounts.
- Safeguarding assets.
- Devising a system of internal control that will ensure the production of properly presented financial statements.
- Performing review to determine the proper person(s) who will oversee the internal controls.

Accounting Services staff members assist in regulating, controlling, and properly segregating activities in the Postal Service. This is the means by which management obtains the reliable information, protection, and control needed for the successful operation of a large business enterprise.

9-1.2 **Controls**

The Postal Service has established internal controls to safeguard its assets, check the accuracy and reliability of its accounting data, promote operational efficiency, and ascertain that managerial policies and procedures are followed. Major controls include the following:

- Segregation of duties and functions.
- Asset control and safeguard provisions.
- Internal audits.
- Independent audits.
- Checking the accuracy and reliability of its accounting data.
- Promoting operational efficiency.
- Ensuring that managerial policies and procedures are followed.

9-2 Segregation of Duties and Functions

Segregation of duties means that no one Postal Service employee should be responsible for handling all phases of a financial transaction. Segregation of duties also implies a division of responsibility between the Postal Service's financial operations and financial policy makers.

Segregation of functions, by account category, includes the following topics:

- Accounts Receivable.
- Cash Receipts.
- Accounts Payable.
- Cash Disbursements.
- Payroll.
- Inventories.
- Electronic Data Processing.

9-2.1 **Accounts Receivable**

Segregation of duties must be maintained between the invoicing (receivable) and cash functions.

9-2.2 **Cash Receipts**

No one Postal Service employee should be responsible for any two of the following duties:

- Opening mail.
- Preparing bank deposits.
- Controlling the accuracy and completeness of computerized data.
- Entering cash receipts and purchasing.

9-2.3 **Accounts Payable**

Segregation of duties must be maintained within accounts payable, purchasing, receiving, and voucher functions. No one Postal Service employee should be responsible for any two of the following duties:

- Issuing purchase orders/receiving reports.
- Approving purchases.
- Signing receiving reports.
- Processing invoices.
- Processing journal vouchers.
- Approving vouchers.
- Controlling or verifying completeness of computer processing data.

9-2.4 **Cash Disbursements**

Segregation of cash disbursements and general cash functions is maintained by ensuring that no one Postal Service employee is responsible for any two of the following duties:

- Preparing checks.
- Approving disbursements.
- Signing checks.
- Reconciling bank accounts.
- Acting as custodian of petty cash (imprest fund).
- Controlling and verifying the balances of computerized data processing.

9-2.5 **Payroll**

Segregation of duties within payroll functions is maintained by ensuring that no one Postal Service employee responsible for any two of the following duties:

- Maintaining personnel files.
- Authorizing salary increases and personnel additions and deletions.
- Preparing payroll journal vouchers.
- Signing checks.
- Distributing checks.
- Reconciling payroll accounts.
- Controlling and verifying computerized data processing.

9-2.6 **Inventories**

Segregation of duties within inventory functions is maintained by ensuring that different employees are responsible for the following duties:

- Receiving inventory for storage.
- Maintaining perpetual records.
- Authorizing requisitions of materials from stock.

- Supervising physical inventory.
- Controlling and verifying computerized data processing.

9-2.7 **Electronic Data Processing**

Adequate segregation of duties must be maintained within data operation functions. This is accomplished by considering the following duties and appropriately assigning the workload.

- Operating computers versus programming computers.
- Processing data versus initiating transactions and master file changes.
- Machine operators processing negotiable paper checks versus input data control relevant to these paper checks.
- Limiting access of data files to authorized personnel.

9-3 **Asset Control and Safeguard Provisions**

The Postal Service Asset Control Provisions are as follows:

- Safeguarding inventories.
- Security of imprest funds.
- Employee and office security.
- Other controls.

9-3.1 **Safeguarding Inventories**

Major inventories at the Accounting Services locations consist of accountable paper in the form of commercial check paper stock and money orders.

The process for safeguarding inventories is as follows:

- Controls must be maintained by properly securing number series and the accountable paper.
- An unannounced audit of all accountable paper inventories is performed by Accounting Services personnel (segregated function) on a quarterly basis.

9-3.2 **Security of Imprest Funds**

The process for securing imprest funds is as follows:

- The imprest fund cashier controls and maintains imprest fund activities for the organization.
- Purchases are controlled and generally limited to those of a nonrecurring nature.
- The imprest fund is audited annually by an independent third party or when the imprest fund cashier or imprest fund authorized certifying officers are changed.

9-3.3 **Employee and Office Security**

The process for employee and office security is as follows:

- Accounting Services offices and personnel are secured by not allowing the public to enter office areas.
- Each location has security access entry and surveillance systems that require employees to show their employee identification cards.
- Computer operation units are physically secured areas that limit access to authorized persons.

9-3.4 **Other Controls**

Maintaining good accounting controls is a prerequisite of reliable internal control, which includes the following:

- Proper authorization of transactions.
- Accurate execution of transactions.
- Observation of established policies and procedures.
- Controlled establishment of classification of accounts.
- Predetermination of dollar control totals.
- Reconciliation of balance sheet accounts.
- Balancing of subsidiary ledgers to general ledger balances.
- Automated posting of control totals.
- Current maintenance of an accounting manual.
- Proper explanation and approval of journal vouchers.
- Adequate protection of accounting records, contracts, manuals, and other supportive journal voucher data.
- Proper use of operating budgets.

9-4 The Audit Function

The primary purpose of the audit function is to enable the auditor to form and express an opinion that attests to the fairness of the Postal Service's financial statements. This requires the auditor to examine our financial records. The audit consists of the following activities:

- Studying and evaluating the Postal Service's system of internal control.
- Performing an intensive qualitative study of the Postal Service's accounting information system and the informational output of that system.
- Performing direct testing of account balances at some specific time.
- Hiring an independent certified public accountant (CPA) firm to perform annual audits whose objective is to obtain an opinion attesting to the fairness and reliability of the organization's financial statements. This helps fulfill the needs of third parties (including the public) for reliable financial information.

The internal audit is performed by OIG employees. Objectives are to serve the needs of management and support the work of the independent CPA firm.

9-4.1 **Internal Audits**

The OIG, which reports to the Board of Governors, is responsible for internal reviews of all financial activities at Accounting Services locations. The objectives of internal audits are to serve the needs of management and support the work of the independent CPA firm.

The internal audit function has two primary purposes:

1. To investigate and evaluate the system of internal control and the efficiency with which the various units of the Postal Service are carrying out their tasks.
2. To conduct reviews to develop improvements and ensure compliance with established policies and procedures. This review is not limited to financial matters.

Internal audit work is subdivided into operating functions and lines of management responsibility.

9-4.2 **Timing of Internal Audits**

The OIG oversees internal auditors and their activities. The timing of internal audits is as follows:

- Before the close of the fiscal year, the internal auditors undertake an extensive preliminary audit which includes a review of all balance sheet account reconciliations.
- After the close of the fiscal year, the internal auditors review transactions made after the preliminary audit.

9-4.2.1 **Adjusting the Books of Accounts**

The internal auditors may recommend adjusting the books of accounts when material omissions or errors are noted. Accounting and the Controller may accept or reject the recommended adjustments.

9-4.2.2 **Reviewing the Auditor's Report**

After the audit of any subsystem or accounting process, the internal auditors draft a report to top management. The process for reviewing the internal audit report is as follows:

1. Managers and employees of the unit involved discuss the internal audit report, noting deficiencies and recommendations for corrective action.
2. After receiving the final report, management replies to the findings by stating the actions taken to correct or refute any noted deficiencies.
3. The internal audit team may perform a review to verify that the corrective action has been completed.

9-4.3 **Independent Audits**

Title 39 of the Code of Federal Regulations requires the Postal Service to have its financial statements and accounting functions examined by independent auditors.

9-4.3.1 **Selecting an Auditor**

Title 39 requires the Board of Governors (BOG) to select the independent certified public accounting firm; these independent auditors report directly to the BOG.

9-4.3.2 **Conducting the Audit**

The process for conducting an independent CPA firm audit is as follows:

1. Independent CPA auditors examine the financial statements of the Postal Service for each fiscal year.
2. The auditors conduct the audits in accordance with auditing standards generally accepted in the United States and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States.
3. The auditors provide an opinion as to whether the financial statements are fairly presented in conformity with GAAP.
4. The auditors provide other reports that may be required as part of an audit performed in accordance with Government Auditing Standards.

9-4.3.3 **Function of the Independent Auditor**

The independent CPA audit team may perform procedures that evaluate or consider the following:

- Overall accounting, financial, and operational control.
- Compliance with policies, procedures, and pronouncements of the Financial Accounting Standards Board and other rule-making bodies.
- Safeguarding of assets from losses.
- Accounting data developed within the Postal Service.

9-4.3.4 **Timing of the Audit**

The timing of independent audits is as follows:

- The independent audit includes procedures performed both during and after the close of the fiscal year.
- The independent audit team may be on-site prior to the fiscal year-end to update their evaluation of internal controls, perform preliminary reviews of accounts and to establish a work plan for year-end procedures.

9-4.3.5 **Issuing the Audit Report**

The process for issuing independent audit reports is as follows:

1. Audit procedures are considered for each Accounting Services location and at Headquarters.

2. The independent audit team at Headquarters prepares a report in which they express their opinion as to the fairness of presentation of the financial statements and reference other reporting performed in accordance with Government Auditing Standards.
3. The independent audit team provides recommendations on internal control, accounting, and financial reporting matters noted in the course of completing their audit procedures.

9-4.3.6 **Replying to Auditor Recommendations**

The process for replying to auditor recommendations is as follows:

1. The auditor includes adjusting entries, if any, and recommendations on internal control, accounting, and financial reporting matters noted by the CPA firm in a report to senior Postal Service management.
2. The auditor discusses the completed report with management before it is finalized.
3. Senior management must reply to the report by noting responses and actions being taken to address the auditor's findings.

10 Accounting Processes

This chapter describes Accounting Services accounting processes.

10-1 Overview

The International Accounting Branch (IAB) accrues estimated cost and revenues from mail that flows to and from foreign postal administrations (FPAs), performs final settlements with FPAs, adjusts the accrual estimates at time of settlement, and assures that payments are processed correctly based upon approved financial expense reports. IAB uses the IAB System which consists of the Settlement Management Subsystem (SMS) and International Web System (IWS).

In addition, IAB includes the International Claims Unit that adjudicates international claims. The Postal Service offers insurance to customers for the loss, damage and rifling (missing contents) of Global Express Guaranteed[®], Express Mail[®], International Registered, Insured, and Ordinary mail services. The Postal Service international claims process uses the latest technology to provide customers with an efficient means of setting their claims. The International Claims Unit uses the Customer Inquiry Claims Response System (CICRS) to process claims for lost or damaged articles. If a claim is denied or supporting documentation is missing, the claimant is notified by mail. If a claim is approved, the payment data is sent to the Oracle Accounts Payable System for payment processing.

The IAB process is described in the table below:

Stage	Description
1	The IAB System allows for data entry, data retrieval, report production and processing for international accounts settlement.
2	Foreign currency payments are made through Chase.
3	The IAB System also processes accruals for both receivables and payables, and generates billings and reconciliation.
4	Foreign postal administrations settle their accounts according to UPU regulations or bilateral agreements.
5	Disbursements for international activity are processed by SMS. U.S. dollars, checks, and Electronic Funds Transfers (EFTs) are paid through the Oracle Accounts Payable System and all foreign currency payments are paid through Chase.
6	Settlements with foreign administrations are based on the net differences of payables to receivables and can be made monthly, quarterly, semi-annually or annually for the calendar year for Terminal Dues and Express Mail. Parcel Post is settled monthly or quarterly and is not netted.

10-1.1 **JV Identification**

The IAB structure is designed so that receivable, payable, revenues, expenses, and adjustments are recorded on JV 701.0. Accruals are recorded on JV 702.0.

There are many accounts, but as an example of JV identification, one is shown below:

JV 701.0 International Account Transactions

Debit Account	Credit Account	Description
13xxx		IAB receivable.
	23xxx	IAB payable.
	4xxxx	IAB revenues.
5xxxx		IAB expenses.

10-1.2 **Cash Receipts**

Vendors and FPAs send remittances directly to the Disbursing Branch at Accounting Services, Eagan, for deposit to international accounts 10439.000 and 23438.000.

The journal voucher that records cash receipts shown below:

Journal Voucher	Description
JV 515.6	Non-invoice-related miscellaneous receipts received and processed by Accounting Services, St. Louis.

10-1.3 **Subsidiary Ledgers and Maintenance**

The SMS functions as a true subledger to the general ledger. Balances of general ledger accounts are maintained within SMS and are available for display through the Control Accounts Balance Inquiry Menu accessed from the SMS main menu. JV's processed manually are not reflected in SMS.

Account balances are reconciled monthly to the general ledger.

10-2 Mail Equipment and Supply Center Accounting

This section describes how the activities are accounted for mail equipment centers, mail transport equipment centers, and the material distribution center.

10-2.1 **Mail Equipment Center Activities**

Mail Equipment Centers (MECs) are the only entities within the Postal Service that manufacture products (mailbags, keys, post office boxes, cord fasteners, and other items). They maintain separate internal ledgers and accounts that have been established to reflect a standard cost system. Nevertheless, all MEC financial activities, including contractual agreements, purchases, salaries, and other related supplies and services, flow through the San Mateo Accounting Services ledger. Below is the process for mail equipment shop activities.

Stage	Description						
1	Issues from the MEC are made to distribution centers, mail transport equipment centers (MTECs), and other postal organizations.						
2	Issues are recorded as reductions to the MEC expense accounts, charging the appropriate postal unit either in inventory (for distribution centers and MTECs) or against expense accounts (for other Postal Service organizations). The following journal vouchers are used to reflect MEC activities: <table border="1" data-bbox="690 506 1328 625"> <thead> <tr> <th>Journal Voucher</th> <th>Description</th> </tr> </thead> <tbody> <tr> <td>JV 776.0</td> <td>SM Payable Adjustments</td> </tr> <tr> <td>JV 777.0</td> <td>SM Payable Adjustments</td> </tr> </tbody> </table>	Journal Voucher	Description	JV 776.0	SM Payable Adjustments	JV 777.0	SM Payable Adjustments
Journal Voucher	Description						
JV 776.0	SM Payable Adjustments						
JV 777.0	SM Payable Adjustments						
3	Adjustments to reconcile the physical inventory taken at the MEC to the general ledger at Accounting Services, San Mateo, are made annually before the close of the fiscal year.						
4	The general ledger is adjusted to reflect the physical inventory as provided by the MEC.						

10-2.1.1 Material Distribution Center Activities

MDC receives stock through contractual procurement as follows.

Location	Responsibility
MDC	Maintains and controls the inventory balances.
San Mateo	Performance of Accounting Services financial activities.

Below is the process for the MDC.

Stage	Description
1	Through contractual procurement purchase orders, the MDC receives stock of both an expendable and capital nature.
2	The contracts and purchase orders flow through the applicable sections in San Mateo and FEDSTRIP purchases in St. Louis.
3	Accounting inventory is maintained in the MDC until a request for supplies or equipment is received.
4	As requisitions for supplies and equipment are filled, the MDC reduces its inventory accounts by transferring inventory to the receiving postal facility.
5	All depreciable property issues, however, are transferred to San Mateo for appropriate disposition.
6	San Mateo transfers depreciation charges to the appropriate postal facility.

JVs that record MDC transactions are as follows:

Journal Voucher	Description
JV 904.5	Accruals (expense and inventory commitments).
JV 790.0	MDC issues to postal facilities.

Material distribution center activities include these topics, which are described on the following pages.

- Subsidiary Ledgers and Maintenance.
- Inventories.

10-2.1.2 Subsidiary Ledgers

Accounting Services, San Mateo, reconciles the subsidiary ledgers of the inventory accounts to the National General Ledger monthly. If there is a discrepancy, an analysis is made to determine adjustments to be made to the General Ledger or the Subsidiary Ledger.

The process of subsidiary ledgers and maintenance is shown in the following table:

Stage	Description
1	MDC reconciles inventory listings to the general ledger supply account balances.
2	An analysis is made to determine adjustments to be made to the general or subsidiary ledgers.
3	Adjustments are based on a comparison between the receipt of inventory at the distribution centers and receiving reports.
4	MDC maintains computerized perpetual inventories.

10-2.1.3 Inventories

The MDC maintains the overall control of inventories because the computer is maintained at that center. The process for MDC inventories is as follows:

Stage	Description
1	MDC receives stock through: <ul style="list-style-type: none"> ■ Contractual procurement at the Headquarters level. ■ Local procurement at the supply center level. ■ FEDSTRIP procurement from GSA stores.
2	Inventories are computerized and the general ledger is adjusted to physical inventory balances taken each year.
3	Adjustments are made to the physical inventory by computer program and are reflected on JV 790.0 in the last month of the fiscal year.
4	Periodic automated inventory reconciliations are maintained by the MDC.
5	These subsidiary ledgers of the supply center must be reconciled to the national general ledger supply center inventory accounts.

10-2.2 **Logistics Contract Management, Surface Air Support, and Surface Air Mail Systems**

These systems collect and process data used for payment of Air Transportation suppliers, as well as contract information. Most payment records are electronically transmitted and processed for review and certification by the Transportation Section, Accounting Services, St. Louis. The Surface Air Mail System collects the data at various Postal Service facilities including Air Mail Centers and Facilities. These applications replace the retired Air Contract Data Collection System and the Air Contract Support System.

10-2.3 **Transportation Contract Support System**

The objective of the Transportation Contract Support System (TCSS) is to eliminate or greatly reduce the flow of hard-copy transactions between the Distribution Network Office (DNO) and Accounting Services, St. Louis. To accomplish this, the DNO, using the TCSS, transmits invoices electronically to the OAP system when an activity is ordered in. OAP uses the data transmitted by TCSS to generate hard-copy checks or EFT payments to highway transportation suppliers.

Payment requests on hard copies of PS Form 5429, *Certification of Exceptional Contract Service Performed*, are invoiced to Accounting Services offices from the field. Accounting Services personnel enter the PS Form 5429 data through a new Transportation Contract Payment System (TCPS) 5429 data-entry screen.

The objectives of TCSS include:

- Increased data accuracy through the reduction of manual data entries.
- Enhanced ability to research pay related issues.
- Quicker and more thorough responses to supplier questions and concerns regarding pay issues.
- Greater flexibility in producing pay-related reports.
- More detailed and meaningful remittances.
- Enhanced ability to track transportation costs.

10-2.4 **Rail Management Information System**

The Rail Management Information System (RMIS) generates reports that are used for monitoring performance and recording and certifying payment of all services performed by rail carriers under the terms of the contracts, including detention charges. Accounting Services, San Mateo, provides the following reports weekly to the rail carriers and field offices:

- Report No. LAB 440P3, RMIS Car Van Line Report.
- Report No. LAB 330, Detention/Misuse Report.

10-2.5 Oracle Accounts Payable System

The OAP system processes through direct data entry, electronic data interchange, and vendor-provided magnetic tape billings. OAP supports Accounting Services in Eagan, San Mateo, and St. Louis. Payments are made by paper check and EFT. The OAP system comprises a number of financial activities that are listed below by location:

St. Louis

- Air transportation.
- Vehicle hire.
- Rail transportation.
- Travel.
- Highway transportation.
- Contract stations.
- Rents.
- Project Financial System.
- Claims.
- Uniform allowance.
- Defense Finance and Accounting Service (DFAS).
- FAMS.
- International Accounting.
- Money Orders.

San Mateo

- Manual and electronic contractual invoices.
- Telecommunication invoices.
- Government Bill of Lading (GBL) non-mail freight invoices.
- Purchase orders.
- Enterprise Imaging Workflow System (eIWS) electronic invoices.
- U.S. Bank IMPAC Visa/Voyager credit card transactions.
- eBUY electronic invoices.
- Vehicle repairs.
- Contract cleaners.
- Other non-contractual invoices.

Eagan

- Other non-employee or non-payroll related payments.

10-2.5.1 OAP Payments

OAP payments includes these topics, which are described in this section:

- St. Louis payments.
- San Mateo payments.

OAP disbursements are reflected on JV 111.0. These disbursements reflect credit entries to cash A/Cs 11111.000 and 26140.000, and debit entries to liability A/C 23431.

The process for St. Louis payments is described below:

Stage	Description
1	Disbursements are made on commercial checks that are printed and mailed from the Disbursing Branch at Accounting Services, Eagan, or via EFT.
2	JV 111.0 reflects disbursements for: <ul style="list-style-type: none"> ■ Rents and leases. ■ Contract postal units. ■ Indemnity claims. ■ Air/rail. ■ IAB. ■ Money orders.

The process for San Mateo payments is described below:

Stage	Description
1	Invoices are paid when due or in accordance with contract terms.
2	Disbursements are made on commercial checks that are printed and mailed from the Disbursing Branch in Eagan or via EFT.
3	Accounting Services, San Mateo, issues payment for: <ul style="list-style-type: none"> ■ Contracts issued by the Headquarters Office of Procurement. ■ Inventory items maintained by the material distribution centers. ■ Contracts for capital equipment. ■ Contract cleaners. ■ Postal supplies and services. ■ Contracts for heating and bulk fuel. ■ Contracts for inventory items. ■ Imprest funds. ■ Candidate readiness. ■ Medical expenses. ■ Gasoline. ■ Utilities. ■ Investigative and confidential funds. ■ Employees' personal property claims. ■ VMRA (Vehicle Maintenance and Repair Agreement). ■ IMPAC (International Merchant Purchase Authorization Card) payments to U.S. Bank. ■ ADP payments to medical service contractors. ■ Attorney fees/arbitration/witness fees. ■ Settlements under Title VII and Rehabilitation Act that do not involve changes to personnel records. ■ GBL (Government Bill of Lading) / NTS (National Traffic System) ■ Other miscellaneous items.

10-2.5.2 Oracle Accounts Payable/Purchasing Journal Vouchers

Accounting Services, San Mateo, processes manual and electronic purchase orders/modifications from Contracting and Authoring Management Systems (CAMS) and other facilities into the Oracle Purchasing System. Commitment journal entries are created and sent to the OGL when the purchase orders are approved. When an invoice against a purchase order is authorized, journal entries are created to relieve the commitment.

The following table shows JVs used for Oracle payments:

Journal Voucher	Description
JV 111.0	USPS Oracle Cash Disbursements Actual
JV 111.6	USPS Oracle Accounts Payable Invoices Actual
JV 111.9	USPS Oracle Purchase Orders Accrual Actual
JV 211.6	USPS Oracle Accounts Payable Invoices Encumbrance
JV 211.7	USPS Oracle Purchase Orders Encumbrance
JV 211.9	USPS Oracle Purchase Orders Accrual Encumbrance

Other accounts payable processed in EAPS include the following, which are described in this section.

- Board of Governors.
- Estates of deceased employees.
- Pay Awards.

The process for the Board of Governors is shown below:

Stage	Description
1	Salaries and meeting expenses of the Board of Governors are accrued on JV 121.7, Payment to the Board of Governors.
2	Salaries and expenses are paid on a monthly basis.

The process for estates of deceased employees is shown below:

Stage	Description
1	Expenses for outstanding salaries that had been earned by employees who are now deceased are accrued on: <ul style="list-style-type: none"> ■ JV 260; Accrued Salary, Leave and Deceased Employees — First Pay Period. ■ JV 260.5; Accrued Salary, Leave and Deceased Employees — Second Pay Periods.
2	Payment that must be deferred, pending the receipt of necessary legal documents, is made to beneficiaries of the deceased through the Accounts Payable subsystem.

The process for pay awards is shown below:

Stage	Description
1	Pay awards include: <ul style="list-style-type: none"> ■ Employee award programs. ■ Grievance and arbitration awards. ■ Court cases.
2	Back pay awards are made to employees who win their cases and are therefore reinstated.
3	Lump sum payments that only involve money through the Accounts Payable subsystem.

10-2.5.3 Federal Government Payables

Federal government payables include the following, which are described in this section:

- Federal Standard Requisitioning and Issue Procedures (FEDSTRIP).
- General Services Administration (GSA) Telephone Service.
- GSA Vehicle Hire.
- Federal Reserve Bank.
- Journal Vouchers for Federal Government Accounts Payable.

FEDSTRIP refers to supply requisitions made by postal installations to the GSA and other federal agencies. The process for FEDSTRIP payables is shown below:

Stage	Description
1	Twice a month, GSA bills the Postal Service as shipments are made.
2	FEDSTRIP payments are made through the Intra-Governmental Payment and Collection (IPAC) Systems, which eliminates the need for check disbursements for these funds transfers and ensures that the appropriate liabilities and inventories are recorded.

The process for GSA telephone is shown below.

Stage	Description
1	GSA bills the Postal Service each month for the use of the Federal Telephone System.
2	GSA telephone bill payments are made through IPAC.

The process for GSA vehicle hire is shown below.

Stage	Description
1	GSA bills the Postal Service each month for the use of GSA vehicles used for administrative and mail hauling purposes.
2	GSA vehicle hire payments are made through IPAC.

The process for GSA Rents, Leases, and Homeland Security is shown below.

Stage	Description
1	GSA bills the Postal Service each month for the use of GSA buildings and any Homeland Security charges related to the leased space.
2	GSA Rents and Homeland Security payments are made through IPAC.

The process for the Federal Reserve Bank (FRB) is shown below.

Stage	Description
1	Periodically, the FRB bills the Postal Service for processing postal money orders.
2	FRB checks are issued through the General Accounting Branch.

The following table shows which journal vouchers are used for accounts payable to GSA and other agencies of the federal government.

Journal Voucher	Description
JV 215.0	Expenses for GSA car rental payments.
JV 217.0	GSA telephone expenses.
JV 219.0	FEDSTRIP supplies.
JV 857.0	GSA Rents and Leases.
JV 857.4	GSA Homeland Security.
JV 724.0	Capitalization of FEDSTRIP supply inventories and equipment.

10-2.5.4 **Accounts Payable Non-Contract Items Process**

The Eagan Accounts Payable-Non-Contract Items process ensures that all requests for non-contract payments are processed in the OAP system for payment in a timely and accurate manner, recorded in the proper reporting period, and are based on appropriate support with valid finance and GL account numbers.

10-2.5.5 **Oracle Accounts Payable-Closing Process**

Eagan accounting staff perform specific activities, in partnership with the San Mateo and St. Louis staff to support and execute a timely opening and authorized closing of the OAP and Oracle Purchasing modules each month. The OAP and Purchasing modules allow for 2 months to be open concurrently.

To facilitate a seamless transition between periods:

- Opening the next payable period is performed 2 business days before the end of the month
- Opening the next purchasing period is performed 1 business day before the end of the month.

When both the San Mateo and St. Louis staff have completed payable and purchasing activities and reconciliations for the current period, San Mateo advises the Eagan Finance Branch by e-mail to close the Oracle payables and purchasing modules.

At year end, prior to executing the close of the period, Eagan staff verifies the period end accrual successfully processed to the OGL.

10-2.6 **Bird Stamp Process**

The objective of this process is to calculate the amount of Bird Stamps sold for the U.S. Fish and Wildlife Service (FWS) and the Postal Service costs associated with the sale of these stamps. This is a federally mandated program governed by interagency agreement. Funds are collected and disbursed through the IPAC system.

Each month, two ADM reports are run:

- One report provides a summary level total of Bird Stamp sales each month and is used to support the quarterly payment to FWS.

- The other report provides sales detailed to the finance number level; it is provided to FWS, as requested.

At the end of each postal quarter, Bird Stamp sales for the previous 3 months, along with estimated time spent by Accounting Services employees working on Bird Stamp-related activities and computer time used to run Bird Stamp reports, are sent by e-mail to HQ Budget. HQ Retail Operations sends an e-mail to Eagan authorizing the amount to pay/collect to/from FWS based on the information provided by Eagan accounting staff, plus additional administrative charges identified by HQ Budget and HQ Stamps groups.

Note: Per contract between Postal Service and U.S. Fish and Wildlife, this quarterly settlement process must be completed within 30 days after the end of each postal quarter. Payment or collection is made via IPAC.

10-2.7 **The eBuy System**

The eBuy system is the Postal Service's electronic purchasing tool. It provides web-based electronic requisitioning and automates ordering, approval workflow, invoice certification, order status checking, reconciliation, reporting, and payments. The eBuy system replaces the PS Form 7381 process for commodities available in electronic catalogs.

10-2.8 **Click-N-Ship[®] (eCommerce)**

Click-N-Ship enables customers to print shipping labels from the convenience of their home or office. With Click-N-Ship, customers can pay for postage with any major credit card, calculate and compare rates, standardize addresses, and find a zip code. Click-N-Ship can be used with the Postal Service's Carrier Pickup option to schedule free pickup from a home or office when the letter carrier delivers the mail. The transaction charges flow through the Web accounting application eCapabilities (eCAP).

10-2.9 **Enterprise Imaging Workflow System**

The Enterprise Imaging Workflow System (eIWS) is the Postal Service's electronic supplies and services data transmission system. It provides electronic images captured from hard copy forms to be reviewed, edited, and submitted for payment into the OAP system.

10-2.10 **FedEx**

On a monthly basis, an allocation of revenue received from FedEx for boxes placed in or at postal service facilities is processed. The allocation moves the funds from the finance number receiving the initial credit to the respective post offices at which the boxes are located.

10-2.11 **IPAC System (Non-Postal)**

IPAC is a web-based system used by government agencies to process payment and collections, to and from one another, through the Government On-line Accounting Link System (GOALS II). The Postal Service transacts business with other federal agencies and uses IPAC to settle Postal Service Accounts Receivable (AR) and Accounts Payable (AP) balances.

10-2.11.1 Mechanically Initiated IPAC Collection (via Uploaded File)

Currently, the Official Mail Accounting System (OMAS) is the Postal Service's only mechanically initiated collection via IPAC. Federal government agencies submit an estimate of anticipated postage usage at the beginning of each fiscal year. Based on these postage estimates, the Eagan Finance Branch personnel set up recurring monthly invoices in the AR system that are cleared through an automated process tied to the collection of these invoice amounts through IPAC. This automated process creates journal entries in the AR system.

On the first business day of every month, IPAC receipt activity is created in the AR system based on the current month's OMAS invoice amounts due. A job is executed from the AR system which triggers the creation of a text file used for the transfer of these funds in the IPAC system.

Because estimates are used throughout the year, at the end of the fiscal year, the Postal Service settles with each federal agency. If money is owed to the agency, the refund is made via IPAC. If the agency still owes for postage, the money is collected via IPAC. This settlement is done in October.

10-2.11.2 Postal Service-Initiated IPAC

The Postal Service receives requests from various internal sources to collect payment from other government agencies for goods or services provided by the Postal Service or to remit payment to other government agencies for goods or services provided to the Postal Service. Most requests are received by e-mail. The following are types of requests received:

- **Address Change** — Required support includes an e-mail or hard copy request for collection from Accounting Services, San Mateo. The request must include the Agency Location Code (ALC), reason for collection, invoice number, amount, and contact name and phone number for both San Mateo and the other government agency. The collection will be posted in Oracle AR to the invoice initiated by San Mateo.
- **Bird Stamp** — Required support includes: (1) a spreadsheet report of stamps sold by month; (2) a memo from HQ, Program Performance, listing audit, reporting and indirect costs; (3) a copy of the letter being sent by the Postal Service to the U.S. Fish and Wildlife Service that advises of the amounts to be paid/collected; and (4) the name and phone number of Postal Service and U.S. Department of the Interior contacts.
- **Customs** — Required support includes the ALC, a detailed breakdown of the amount to be paid, contact name and phone number of person in the Accounting Reconciliation Branch and U.S. Customs, period of time the payment covers and a completed PS Form 824, *Journal Entry Form*, signed by DCS and Management employee.
- **Miscellaneous** — These are generally one-time requests received from various HQ groups (i.e., sale of excess supplies/equipment to another government agency). Required information includes the ALC, a copy of signed agreement between Postal Service and the other government agency, another agencies signed purchase order, the

finance and account number, amount and the contact name and phone number of person making the request.

- **OMAS** — Required support for refunds includes a copy of the Postal Service letter, signed by a management employee, to be sent to the other government agency. The letter lists the ALC, amount, and reason for refund. The support will also include a copy of the request for adjustment received from the other government agency. Required support for collections includes all of the above except the Postal Service letter is replaced by a Postal Service invoice.
- **Selective Service** — Required support includes a hard copy memo from Selective Service with detail of the number of registrations processed by the Postal Service for a given quarter, rate per registration, total amount to collect, and Selective Service contact name and phone number.

10-2.11.3 **Other Agency-Initiated IPAC**

Other federal agencies may use IPAC to pay the Postal Service. The Postal Service monitors the IPAC system daily for these transactions. Once received, these transactions are treated like all other payments or collections.

IPAC transactions that pay for an invoice entered into Accounts Receivable are offset in AR. This generates an automatic journal entry. Items that do not flow through AR are journalized manually.

IPAC entries are recorded primarily on JVs 117.x, 512.x and 515.x.

10-2.12 **Domestic and International Indemnity Claims**

The Postal Service offers insurance for domestic, COD, Registered, Express, Domestic and Insured Mail. The indemnity claims process uses the Customer Inquiry and Claims Response System (CICRS) to provide customers with an efficient means of settling their claims.

CICRS is designed to pay or deny indemnity claims against the Postal Service when there is loss or damage to insured articles in the mail stream. Once a claim is received into the CICRS system, the claim data is processed and a determination is made to pay or deny the claim within 2 days. The payment data is sent to accounts payable for processing. If the claim is denied or supporting documentation is missing, the claimant is notified by mail.

For international claims the Postal Service offers insurance to customers for loss, damage, or rifling (missing contents) of Global Express Guaranteed, Express Mail International[®], registered items, and Global Priority Mail[®]. The IAB, Accounting Services, St. Louis, also indemnifies ordinary parcels. Claims are processed in accordance with the Universal Postal Union (UPU) regulations and Bi-Lateral Country Agreements.

Customers call the International Inquiry Center (IIC) to initiate inquiries for undelivered articles that were sent from the United States to all foreign countries. Damaged articles are filed at local post offices if the US customer has possession of the item. Damaged articles in the possession of the foreign customer can be filed with the IIC or the Foreign Post.

The International Claims section of Accounting Services, St. Louis, processes all claims from inquiries initiated through the IIC using CICRS. Once IIC determines the customer has a valid claim, the claim form is sent to the customer; the customer will complete the form and submit to International Claims. A claims processor will review the claim to determine the status, paid, denied or additional supporting documentation needed.

10-2.13 **Customs Payment Reconciliation Process**

Payments for U.S. Customs and Border Patrol Protection (Customs) duties and fees collected on their behalf by Postal Service Field Units are made through the IPAC system. Field Units record receipts of Customs duties and fees in AIC 054 (GLA 25311.054) and the payment is processed monthly by the Accounting Reconciliation Branch (ARB).

A Customs Duty Detail report consisting of Retail Sales Audit (ReSA) audited data for AIC 054 is extracted from the ADM after the end of each month. In addition, Customs sends a report to ARB monthly of underpayments on previous remittances and unpaid Mail Entry numbers that have aged 60 days. These reports are used to determine the payment made to Customs through IPAC and to expense Field Units for errors in reporting (GLA 56203.647). Customs also sends a report of overpayments and duplicate payments to ARB and remits an IPAC payment to the Postal Service for these overpayments. JV 411.3 is used to record payments, receipts, and expenses.

10-2.14 **Sure Money Process**

The Sure Money[®]/Dinero Seguro[®] program is a Postal Service partnership with Bancomer of Mexico in which funds are transferred to Mexico, Latin America, and Caribbean countries directly from post offices via an online money transfer system. A fee is charged for the transfer and a foreign exchange rate spread is earned.

10-2.14.1 **Chesapeake Total Reconciliation Solution/Sure Money Reconciliation Process**

Accounting Services, Eagan, uses Chesapeake Total Reconciliation Solution (T-RECS) software to reconcile the following:

- Sure Money activity reported daily by retail postal units (via PS Form 1412, *Daily Financial Report*, JV 411.0).
- Transactions processed by Bancomer Transfer Services.

JV 415.2 expenses identifies differences between unit reporting and actual bank activity. All expenses (overages and shortages) are exported to the General Ledger (GLA 56203.647).

10-2.14.2 **Sure Money Funding Process**

The Dinero Seguro Money Mover System is used by Accounting Services, Eagan, to generate the daily funding settlement for sales collected at post offices. Payments are made to Bancomer, JV 550 reports the funding, and monthly reconciliations are performed to monitor the liability account.

10-2.15 Travel Process

eTravel is a commercial off the shelf (COTS) product that uses Web technology to create travel expense reports. It automates each step of the expense management process from expense preparation and approval to reimbursement of travel expenses.

After the traveler completes an expense report in the eTravel System, he or she is required to print a bar-coded Receipt Report showing a summary of the travel expense transactions. The electronic travel voucher is sent to the traveler's manager for approval. The Receipt Report, along with the required supporting documentation, is mailed to the eTravel Back Office, Accounting Services, St. Louis, for processing.

Once the Receipt Report is received at the eTravel Back Office, it is scanned into the system. A certain percentage of these reports are automatically flagged by the system for an audit review. After approval from the traveler's manager has been received electronically and any audit review (if required) has been performed, invoices are automatically sent to the Postal Service accounts payable system for payment. Payments are made directly to the employee's Citibank account where possible, or directly to the employee via check or EFT. In cases where supporting documentation is not required, the Receipt Report is not forwarded to the eTravel Back Office (per instructions printed on the Receipt Report), but processed automatically by the system.

10-2.16 Vehicle Hire Process

To supplement its owned vehicle fleet, the Postal Service leases vehicles from commercial vendors and postal employees for the delivery of mail. Payments for leased vehicles are processed through the Vehicle Hire System.

The Vehicle Hire System receives a weekly payment file from the Vehicle Maintenance Accounting System (VMAS). This file contains payment information for vehicles leased from commercial companies and postal employees. Payment data for commercial vendors is sent electronically to the Accounts Payable System; payment data for postal employees is sent electronically to Payroll and is included in the employee's pay check.

The Vehicle Maintenance Facility (VMF) sends commercial emergency vehicle hire forms to Accounting Services, St. Louis, to establish new vendors in the Vehicle Hire System for emergency service. The VMF also sends vehicle hire pay adjustment forms to St. Louis to pay vendors for payments that were rejected in VMAS.

The requests for vehicle hire contracts, contract amendments, and payments to pay damages are initiated by the local VMF and are sent to the Commodity Management Center, which creates the payment forms and sends them to Accounting Services, St. Louis. These manual payments are entered into the Vehicle Hire System for payment. The Vehicle Hire System is also used to make manual payments to commercial vendors for damages to leased vehicles.

10-2.17 **Debit and Credit Card Adjustments**

Requests for adjustments to overcharges and undercharges made in the processing of debit or credit card transactions that are identified after the date of the original transaction can be initiated by the customer, postal units, or the Postal Service's third party debit/credit card processor. If the customer or postal unit requests an adjustment through the Accounting Help Desk, a remedy ticket is created and answered by an ARB employee. If it is determined after investigation that an error occurred, corrective measures are taken based on the card type and whether the card was overcharged or undercharged. The Postal Service cannot make an adjustment to a debit card; however, a no-fee money order may be issued by the transacting unit for an overcharged debit card transaction. If a credit card is overcharged, an authorized ARB employee may use QuickPro or Voice Auth software to initiate a refund. If a credit card is undercharged, written authorization by the cardholder is required to process an additional charge. If a credit card transaction was authorized by the cardholder but did not initially process, QuickPro or Voice Auth may be used to reenter the transaction (if done within a designated time frame).

If a request for a refund is made by the cardholder to the cardholder's issuing bank, either a retrieval request or a chargeback is initiated by the cardholder's bank. The Postal Service must respond to a retrieval request within a designated time frame to explain why a refund should not be issued or why a chargeback reversing the transaction will be initiated.

If a chargeback is initiated by the cardholder's bank, the Postal Service must respond within a designated time frame in order to have the chargeback reversed. All retrieval requests and chargebacks are directed to the ARB employee assigned to the district in which the initial charge was made.

All adjustments, whether made through QuickPro, Voice Auth, or through a chargeback, are entered on the daily file received from the Postal Service's third-party processor and entered into the Chesapeake T-RECS Debit Credit Reconciliation Process.

10-2.18 **Electronic Funds Transfer Process – Cash**

10-2.18.1 **Customer Deposit Process**

Field units are notified by the Eagan EFB of Electronic Funds Transfer (EFT) bank deposits made by customers for mailing activity. An ARB employee should receive the EFT bank information from the customer and/or the Postal Service relationship bank. A Chesapeake EFT Report is generated each day during the Chesapeake Banking Reconciliation process that lists, by district account, all EFT deposits identified in the daily bank files. The Chesapeake EFT report is compared to the customer/bank notification. If the amounts do not agree, the bank or customer is contacted for clarification. If information is missing or if no customer/bank notification is received, the ARB employee must research to determine the correct amount or customer account to be credited.

When the correct amount, depositing unit, and customer account are identified, the ARB employee contacts the Field Unit to inform it of the EFT/ACH received and asks that the appropriate entries be made to the unit's PS Form 1412 by crediting the appropriate AIC and debiting AIC 680 Cash remitted EFT payment (GLA 11211.000).

The PS Form 1412 entry goes through ReSA to JV 411.0 and also to Chesapeake. If the depositor of the money cannot be determined, a credit to expense GLA 56203.647 will be created in Chesapeake at the district level via JV 415.1. When the unit determines that a customer's EFT was received but credited to the district, the intended unit will process an AIC 680 entry and request that the district create a JEV to move the original offsetting expense entry to the unit. If it is determined that the bank credited the Postal Service bank account in error, Corporate Treasury is contacted to request a reversal of the EFT.

Journal entries: 411.0 and 415.1.

10-2.18.2 **EFT Returns**

Accounting Services, Eagan, ensures that EFT returns are assigned to the appropriate Accounting Services location. The Federal Reserve Bank (FRB) transmits files of rejected EFTs daily to Eagan. The rejected EFTs are identified by the originating Accounting Services location and reconciled to a mainframe report. Rejected EFTs for St Louis and San Mateo are reported to those centers. St Louis and San Mateo independently track their rejected EFTs. A monthly review is completed by an Eagan employee with staff in St Louis and San Mateo to review their respective reports and ensure that their monthly totals equal Eagan's totals for Accounting Services.

Rejected payroll EFTs are routed to the Eagan Accounts Payables System (EAPS), which generates checks and deactivates the EFT segment on the employee master file in the payroll system. The next day, EAPS generates a payable check certified by Finance and sends to the employee with the rejected EFT. Rejected Eagan Payable EFTs are reviewed to determine the reason for the return. Vendors are contacted if necessary and EFTs are reprocessed in the Eagan Payables System.

Journal entries: 551.x, Non-standard JVs.

10-2.19 **Cash In (Receipts)**

10-2.19.1 **Deposits to Postal Service Master Account**

Accounting Services, Eagan, assures proper journalization of deposits to the Postal Service master account. Chase Insight Treasury Work Station (TWS) software is used to poll banks for depository information daily from the following sources:

- Chase account used for sweeps from relationship banks for post office deposits.
- Chase account used for EFT deposits from credit card processor, customer meter lockbox and other EFTs.
- Chase account for EFTs from foreign postal entities.

Corporate Treasury sends by e-mail a spreadsheet of banking activity to an Eagan employee who logs into TWS to verify deposits. Once verified, deposits are journalized to appropriate GL accounts and finance numbers. Journal entries: 533.x.

10-2.19.2 **Eagan Payables Returned Check Process**

All returned Eagan Accounts Payable issued checks are processed and reconciled to their related commercial bank file. All returned commercial checks, except one electronically loaded St. Louis Claim check file, are manually entered into the Commercial Check Tracking System (CCTS) by the Disbursing Branch. Returned checks are batched by type, bank, and account. A trace code is automatically applied to each check based on bank and check number.

Returned checks fall into one of three categories:

- Request to cancel.
- Undeliverable.
- Request to split into multiple checks.

Checks are reviewed for reason to cancel, journalized to record cancellation, and reissued (for a different amount, payee, address etc.) following standard reissue processes, if necessary.

10-2.20 **Cash Out (Disbursements)**

10-2.20.1 **Check Issue Process**

The check issue process ensures that issue files are provided to all commercial check disbursement banks and checks paid without an apparent match to the issue file are investigated. A transmittal letter is faxed to the disbursing bank based on the certification form. The issue file is transmitted to the disbursing bank through Accounting Services, San Mateo B2B. The issue file includes check number, date, and amount. When a check is deposited, it is matched to the issue file by the disbursing bank. If it matches, payment is sent to the depository bank from the Postal Service account. Checks that do not match the issuance file are reported electronically to Eagan Finance for a pay or no-pay decision. The decision to pay or not pay is transmitted by Eagan Finance to the disbursing bank by 1:00 PM EST daily. When a no pay decision is made, the check is returned to the depository bank as a fraudulent or unauthorized check and the Postal Service account is not charged.

Journal entries: 118.x.

10-2.20.2 **Returned Computerized Meter Resetting System Checks – Returned Check Management System Mainframe Process**

Computerized Meter Resetting System (CMRS) customer checks are deposited to a Postal Service Citibank lockbox, the deposit information is transmitted by the bank to the meter company, and deposits are posted by the meter company as increases to the customer accounts. Customer accounts are managed by the meter companies. Returned unpaid checks reduce the appropriate Postal Service lockbox bank account.

Returned check information is sent to the individual meter companies either through a transmission or a copy of the returned check. The meter company will remove the funds from the customer's account. If the customer has downloaded the funds to a meter, it may create a negative customer account balance. Meter companies send reports of negative customer account balances to Accounting Services, Eagan. The returned check is mailed to Eagan by the bank and the Returned CMRS Checks – Returned Check Management System (RCMS) Mainframe Process tracks returned CMRS checks and attempts recovery of customer accounts with a negative balance. Collection letters attempt recovery with directions to remit payment to the lockbox. Reports of payments made to the lockbox are sent by the meter companies to Eagan. Unpaid returned items are sent to the designated Postal Service collection agency for collection.

10-2.21 **Cash Reconciliation**

10-2.21.1 **Chesapeake T-RECS Banking Reconciliation Process**

The Eagan ARB uses Chesapeake T-RECS software to reconcile retail postal units' daily reported bank deposit activity and actual bank deposits received at Postal Service relationship banks in accordance with Service Level Agreement time frames. Bank files consisting of the previous day's bank transactions by unit finance number are downloaded daily into Chesapeake. Book files consisting of all retail postal unit PS Form 1412 deposit totals (GLA 11211.0002) by unit finance number are also received daily from ReSA and downloaded daily into Chesapeake. Bank and book files are matched by unit finance number. Exception items are expensed as debits or credits to GLA 56203.647 to the appropriate unit finance number using JV 415.1.

10-2.21.2 **Chesapeake T-RECS Debit Credit Reconciliation Process**

The Eagan ARB uses Chesapeake T-RECS software) to reconcile retail postal units' daily reported debit/credit card activity and actual funding authorizations reported by the Postal Service' third party processor in accordance with Service Level Agreement (SLA) time frames. Bank files consisting of the previous day's transactions by unit finance number are downloaded daily into Chesapeake. Book files consisting of all retail unit PS Form 1412 debit and credit card totals (GLA 11313.422) by unit finance number are also received daily from ReSA and downloaded daily into Chesapeake. Bank and book files are matched by unit finance number. Exception items are expensed as debits or credits to GLA 56203.647 to the appropriate unit finance number using JV 415.2.

10-2.21.3 **CCTS Load Process**

The CCTS load process ensures that issue files and bank action files are properly loaded to CCTS. When issue and bank action files are loaded to CCTS, a Commercial Check Tracking Report is generated, giving summarized record and dollar totals. Each report is validated by comparing the summarized record and dollar totals with the certified issue (issue file) or payment (bank action) documentation. CCTS does not allow a check with the same number and amount to be loaded twice. The absence of a

Commercial Check Tracking Report for a certified range of issuances or for the daily bank action file indicates that a file was not properly loaded into CCTS. A remedy ticket is created and submitted to the Integrated Business Systems Service Center (IBSSC) to resolve the problem.

10-2.21.4 **Chesapeake T-RECS Change Funds Reconciliation Process**

Accounting Services, Eagan, ensures that change funds reported as received by field units match the change funds reported by the relationship bank as shipped. Field units report change funds received from the bank in Account Identifier Code (AIC) 293 Cash Remitted Change Funds on their PS Form 1412. These entries in turn are exported to GL from ReSA via JV 411.0 to credit account 11211.293. Bank records for change funds shipped are loaded to Chesapeake by ARB and exported by Chesapeake to GL daily via JV 415.1 to debit account 11211.293.

On a monthly basis, ARB compares the reported totals by unit finance number and identifies exceptions. Exceptions are expensed to the unit finance number via JEV (JV 415.4) and a copy of the spreadsheet detailing the comparison with exceptions noted is sent by e-mail to Area Accounting Managers (AAMs) and Manager, Financial Control and Support.

10-2.22 **Money Order Activities**

The control, reconciliation, and verification of all postal money order activity is maintained at Accounting Services, St. Louis, General Accounting Branch (GAB).

Post offices issue two types of money orders:

1. Domestic.
2. International (to foreign administrations based on international bilateral agreements). Direct Service – International Postal Money Order (MP1).

The following table shows the process for money order activities:

Stage	Description
1	Post offices receive money order stock from their stamp distribution office (SDO) and must verify serial number continuity and the control of invoice numbers.
2	Post offices record these daily on their PS Forms 1412: money order activities and issues, fees charged, and no-fee money orders.
3	Money orders issued are converted from AICs 100 and 102 to general ledger liability A/Cs 21111, contra debit to cash.
4	Fees are recorded in AIC 101 and 103 and are converted to revenue A/Cs 43311 and 43315, respectively.

Domestic Money order activities are described on the following pages.

10-2.23 **Domestic Money Orders**

The following table shows the process for domestic money orders:

Stage	Description												
1	Domestic money order support documents include: Customer's receipt. Negotiable money order. Voucher (electronic in POS).												
2	The read line on the money order contains: Serial number. Post Office ID (Issue location). Date. Amount.												
3	The following accounting 411.0 JV entries are made for issued money orders by SAFR (ReSA):												
3	The following accounting 411.0 JV entries are made for issued money orders by SAFR (ReSA): <table border="1" data-bbox="690 808 1377 991"> <thead> <tr> <th>Debit Account</th> <th>Credit Account</th> <th>Description</th> </tr> </thead> <tbody> <tr> <td>113xx</td> <td></td> <td>Cash Received.</td> </tr> <tr> <td></td> <td>21111</td> <td>Domestic Money Order Sale.</td> </tr> <tr> <td></td> <td>43311</td> <td>Domestic Money Order Fee.</td> </tr> </tbody> </table>	Debit Account	Credit Account	Description	113xx		Cash Received.		21111	Domestic Money Order Sale.		43311	Domestic Money Order Fee.
Debit Account	Credit Account	Description											
113xx		Cash Received.											
	21111	Domestic Money Order Sale.											
	43311	Domestic Money Order Fee.											

Domestic money orders include these topics, which are described on the following pages.

- Reporting Money Order Sale and Fees.
- Issuance Data Processing.

10-2.23.1 **Reporting Money Order Sales and Fees**

The following table shows the process for reporting money order sale fees:

Stage	Description
1	Money order sales and fees are reported to SAFR (ReSA) and subsequently transmitted to Accounting Services, St. Louis, GAB.
2	Sales and fees are booked to GL through 411.0 JV processed by SAFR (ReSA).

10-2.23.2 Issuance Data Processing

The following table shows the process for issuance data processing:

Stage	Description
1	All issue data is submitted electronically and processed by SAFR.
2	SAFR ensures that the serial number detail issuance information sent to the Money Order system equals AIC 100, recorded on 411.0 JV.
3	Issuance information is retained in the Money Order Database (MODB).
4	When all voucher data has been processed, the totals are matched against the file produced from SAFR.
5	The object of this postmaster accounts reconciliation is to verify the transmitted issuance information to the source documents (voucher data or redeemed money orders).
6	The Federal Reserve Bank (FRB) images all cashed documents (money orders). These images are available upon request.

10-2.24 Money Orders Received from Designated Depositories

The following table shows the process for money orders received from designated depositories:

Stage	Description
1	Upon receipt of postal money orders from designated depositories, the FRB charges the Postal Service for paid money orders through the U.S. Treasury.
2	Control and support for the disbursement entry (JV 160.5) are maintained in the GAB, St. Louis.
3	Electronic and hard-copy 1901 files, along with the image of the redeemed domestic and direct service money orders are received daily from the FRB.

10-2.25 Money Order Processing

Accounting Services, St. Louis, is responsible for the centralized control of the complete cycle for processing postal money orders. This involves monitoring and reconciling the input/output of the entire system.

The GAB in St. Louis is responsible for:

- Reconciling redeemed money orders transmitted from the St. Louis FRB.
- Auditing vouchers submitted from issuing locations.
- Comparing issuance information and reconciling money order sales from issuing locations.
- Auditing and reconciling money orders sold at army post offices (APOs) and fleet post offices (FPOs).
- Reconciling and settling Direct Service money orders exchanged with other countries.
- Issuing checks for replacing a lost, stolen, or damaged money order.

The following table shows procedures for processing money orders (Issuance and Cashed Data):

Stage	Description
1	A computerized system is used to record, control, and identify money order liability accounts.
2	All redeemed money orders and vouchers are processed using: Magnetic ink character recognition (MICR) (redeemed money orders only) by the St. Louis FRB Electronic Data Transmission from SAFR and FRB
3	All data is processed to the MODB (money order history file). This file is the subsidiary ledger for outgoing direct service, and domestic money orders.
4	The MODB is also used for inquiry requests from patrons, postmasters, postal inspectors, and corporations concerning the payment status of money orders.

10-2.26 **Subsidiary Ledgers**

The General Accounting Branch (GAB) in St. Louis maintains many subsidiary ledgers. The money order history file is the subsidiary ledger for domestic, outgoing international, and replaced money orders accountability. The GAB in St. Louis also maintains subsidiary ledgers for international money order activity. These are reconciled to the general ledger by country and account number.

10-2.27 **Journal Vouchers**

The following table shows JVs for the money order subsystem:

Journal Voucher	Description
JV 160.0	Adjustments processed for redeemed money orders received from the FRB.
JV 160.5	Cash disbursements for classified money orders outstanding at the FRB.
JV 163.0	Incoming Direct Service money orders.
JV 167.0	Set-off between receivable and payable international money orders.
JV 168.0	Commission receivable and payable for international money order processing.
JV 169.0	Outgoing Direct Service money orders.
JV 218.0	Accrual adjustment for FRB charges to actual expense.
JV 413.5	Money order reconciled expenses.
JV 471.0	Escheatment (moved uncashed MOs > 2 yrs old to revenue.
JV 499.X	Miscellaneous adjustments by the GAB.
JV 9XX.X	Manual JVs.

10-2.28 Money Order Reconciliation with the U.S. Treasury Department

Money order reconciliation with the U.S. Treasury includes these topics, which are described on the following pages.

- FRB processing.
- Control of money order disbursements.
- Electronic and hard-copy 1901 file.
- Old-style money orders.
- New-style money orders.

The following table shows the procedures for FRB processing:

Stage	Description
1	Upon receipt of postal money orders from designated depositories, the FRBs charge the amount of the paid postal money orders to the Postal Service through the CashLink II system of the U.S. Treasury.
2	Electronic and hard-copy 1901 file is used to reconcile the amount charged on SF 5515, <i>Debit Voucher</i> , with the various classifications (domestic, direct service, mutilated (money orders >\$1, 000), and old style) of postal money orders shipped to the FRB, St. Louis.
3	FRB, St. Louis, makes FRB adjustments initially charged on SF 5515 using one of the following forms: <ul style="list-style-type: none"> ■ SF 215, <i>Deposit Ticket</i>, for an overcharge, ■ SF 5515 for an undercharge.

10-2.28.1 Control of Money Order Disbursements

The following table shows the process for controlling money order disbursements:

Stage	Description
1	Individual FRBs enter SF 5515 and SF 215 information (voucher number, bank, date, and amount) into CashLink.
2	The net total of the SF 5515 and SF 215 represents the daily money order disbursement activity, which is viewed online in CashLink daily by Headquarters and the MOREC section, St. Louis.
3	JV 160.5, Classified Money Orders at the FRB, is prepared each month from the summarized daily entries.
4	The total disbursement figure is listed on SF 224, <i>Statement of Transactions</i> , by month and reported by the 3rd working day of the month to the U.S. Treasury by the Government Online Accounting Link System (GOALS).
5	SF 224 and CashLink are used by the U.S. Treasury to reconcile what is reported by the Postal Service with the amounts reported by the FRBs.
6	If there is a difference between the SF 224 reported by the Postal Service and Cash Link's SF 5515s and SF 215s reported by the FRBs, a Statement of Difference is issued each month via GOALS.

Stage	Description
7	All differences are reconciled and corrected by the MOREC section, St. Louis.
8	If the difference is under \$5 million and more than six months old, it is entered into the Budget Clearing Account in Treasury (instead of on a Statement of Difference), which is also reconciled by the MOREC section, St. Louis.

10-2.28.2 Electronic and Hard-Copy 1901 File

The electronic and hard-copy 1901 file, is a reconciliation file prepared by the FRB. The following table shows the process for preparing a 1901.

Stage	Description
1	Certain data from the SF 5515 and SF 215 (confirmed date, document number, and amount) are reflected under the block labeled Charge to Agency Location Code 18-00-0005.
2	This amount must agree with the total for the block labeled Classification of Postal Money Order, which reflects the description (domestic MO, direct service, mutilated (money orders > \$1,000), and old-style) code, number of items, and amount of money orders shipped to the St. Louis FRB.
3	The original signed hard copy of the 1901 is mailed by the St. Louis FRB to the MOREC section, St. Louis.
4	As money orders are processed, FRB information is consolidated on a electronic and-hard copy 1901 by the St. Louis FRB and is received by the MOREC Section in St. Louis on the next working day.
5	The SF 5515 and SF 215 data are transmitted by the St. Louis FRB and incorporated into AQQ900P report nightly.
6	A program is run daily that compares the data reported on the original confirmed copies of the SF 5515 and SF 215 to the data reported on the electronic and hard-copy 1901.
7	All SF 5515s and SF 215s must be offset by hard-copy 1901 to ensure that all charges to the Postal Service are supported by actual money order documents and verified by the St. Louis FBR.
8	The data entered from the classification block is summarized, on a monthly basis, by type of money order (code 700 for domestic, code 003 for Schedule of Adjustment).
9	A report is generated to support JV 160.0, Adjustments Processed by the St. Louis FRB.

10-2.28.3 **Old-Style Money Orders**

Old-style money orders are money orders issued prior to 1974. The following table shows the process for old-style money orders.

Stage	Description												
1	Old-style money orders are shipped by FRBs to the St. Louis FBR with the new-style money orders and are coded as 004 on electronic and hard-copy 1901 file.												
2	Old-style money orders are reconciled manually because so few are processed. St. Louis FRB sends actual documents and the GAB reclassifies as an expense.												
3	Reconciliation results are posted on a bank reconciliation control sheet, which is the source for JV 162.0, Record Old-Style MO Redeemed at FRBs, as shown in the following table:												
3	Reconciliation results are posted on a bank reconciliation control sheet, which is the source for JV 162.0, Record Old-Style MO Redeemed at FRBs, as shown in the following table:												
	<table border="1"> <thead> <tr> <th>Account</th> <th>Debit</th> <th>Credit</th> <th>Description</th> </tr> </thead> <tbody> <tr> <td>56203</td> <td>\$7,000.00</td> <td></td> <td>Expense</td> </tr> <tr> <td>21111</td> <td></td> <td>\$7,000.00</td> <td>Outstanding MO liability</td> </tr> </tbody> </table>	Account	Debit	Credit	Description	56203	\$7,000.00		Expense	21111		\$7,000.00	Outstanding MO liability
Account	Debit	Credit	Description										
56203	\$7,000.00		Expense										
21111		\$7,000.00	Outstanding MO liability										

10-2.28.4 **New-Style Money Orders**

The following table shows the process for new-style money orders issued 1974 and forward:

Stage	Description												
1	Electronic and hard-copy 1901 file is transmitted electronically to the MOREC section in St. Louis.												
2	The St. Louis FRB processes the money orders and the MOREC section reconciles them to each FRB as shown in the following table:												
	<table border="1"> <thead> <tr> <th>Account</th> <th>Debit</th> <th>Credit</th> <th>Description</th> </tr> </thead> <tbody> <tr> <td>21111</td> <td>\$7,000.00</td> <td></td> <td>Outstanding MO liability</td> </tr> <tr> <td>11113</td> <td></td> <td>\$7,000.00</td> <td>MO disbursements</td> </tr> </tbody> </table>	Account	Debit	Credit	Description	21111	\$7,000.00		Outstanding MO liability	11113		\$7,000.00	MO disbursements
Account	Debit	Credit	Description										
21111	\$7,000.00		Outstanding MO liability										
11113		\$7,000.00	MO disbursements										

10-2.29 **Direct Service Money Orders (Outgoing)**

The following table shows the process for outgoing direct service money orders:

Stage	Description												
1	International money orders that are redeemed in direct service countries are mailed to the GAB with money order transaction lists as compiled by the direct service countries.												
2	Transactions are processed and updated to the history file (MODB) throughout the month.												
3	An accounts payable is established for each country submitting money orders.												
4	Individual countries perform their own reconciliation and submit money order transaction lists to the MOREC section.												
5	Amounts recorded on the reconciliation are posted by the GAB to a control sheet.												
6	Totals from the control sheet are posted by country to an Excel spreadsheet, JV 169.0 Establish Payable for Postal Service MOs processed in Direct Service Countries, as shown in the following table. <table border="1" data-bbox="699 869 1409 1020"> <thead> <tr> <th>Account</th> <th>Debit</th> <th>Credit</th> <th>Description</th> </tr> </thead> <tbody> <tr> <td>21111</td> <td>\$7,000.00</td> <td></td> <td>Outstanding MO liability</td> </tr> <tr> <td>21201</td> <td></td> <td>\$7,000.00</td> <td>Accounts Payable International MO</td> </tr> </tbody> </table>	Account	Debit	Credit	Description	21111	\$7,000.00		Outstanding MO liability	21201		\$7,000.00	Accounts Payable International MO
Account	Debit	Credit	Description										
21111	\$7,000.00		Outstanding MO liability										
21201		\$7,000.00	Accounts Payable International MO										
7	The spreadsheet data is incorporated into the MODB.												

10-2.29.1 **Direct Service Money Orders (Incoming)**

Many countries have agreements with the Postal Service that enable them to issue money orders in U.S. currency.

The following table shows the process for incoming direct service money orders

Stage	Description									
1	Money orders are accepted for payment in the United States and cleared through the FRBs.									
2	Money orders are accounted for on electronic and hard-copy 1901 file (code 400) and forwarded with domestic money orders to the GAB, St. Louis.									
3	The GAB establishes a receivable for each country.									
4	A control sheet is maintained and summarized at the end of the month and is the support for JV 163.0, Receipt of Direct Service Money Orders from FRBs, as shown in the following table: <table border="1" data-bbox="699 1644 1409 1822"> <thead> <tr> <th>Debit Account</th> <th>Credit Account</th> <th>Description</th> </tr> </thead> <tbody> <tr> <td>13210</td> <td></td> <td>Accounts Receivable International MOs.</td> </tr> <tr> <td></td> <td>21111</td> <td>Outstanding money order liability</td> </tr> </tbody> </table>	Debit Account	Credit Account	Description	13210		Accounts Receivable International MOs.		21111	Outstanding money order liability
Debit Account	Credit Account	Description								
13210		Accounts Receivable International MOs.								
	21111	Outstanding money order liability								
5	Control sheet totals are posted by country to an Excel spreadsheet.									
6	The spreadsheet is used to incorporate the activity into the MODB.									

10-2.29.2 **U.S.-Issued International Money Orders – List (Outgoing)**

International outgoing list service was discontinued in August 2002.

10-2.30 **Refund for Fraud/No Business Money Orders**

Refunds of the money order amount and the \$8.50 fee are made to customers who submit international money order authorizations purchased prior to discontinuation of the list service (August 2002). The refund check is issued out of Account 21111; and JV 474.0 is prepared to transfer the amount of the fee from Account 21111 to Account 43316.

10-2.31 **Reissued International Money Orders (Incoming)**

International incoming list service was discontinued in August 2002.

10-2.32 **Invalid International Money Orders**

Invalid international list service money orders are no longer processed because international incoming list service was discontinued in August 2002.

10-2.33 **International Repayments**

International incoming/outgoing repayments are no longer processed because international incoming list service was discontinued in August 2002.

10-2.34 **Replacement of Money Orders Using Commercial Checks**

The following table shows the process for replacing money orders using commercial checks.

Stage	Description												
1	When an original money order is lost, the customer completes a PS Form 6401, <i>Money Order Inquiry</i> , and requests a replacement money order.												
2	The original money order serial number is processed against the money order history file to determine if the money order has been cashed.												
3	<p>If the money order has not been cashed, only the voucher information is indicated on the history file. PS Form 6401 is used to produce an automated replacement check from Oracle AP. The check is issued against Account 21111.</p> <p>Automatic JV journalizes the automatic replacement, as shown in the following table:</p> <table border="1" data-bbox="678 1587 1386 1709"> <thead> <tr> <th>Account</th> <th>Debit</th> <th>Credit</th> <th>Description</th> </tr> </thead> <tbody> <tr> <td>21111</td> <td>\$15,000</td> <td></td> <td>Outstanding MO liability</td> </tr> <tr> <td>26140xx</td> <td></td> <td>\$15,000</td> <td>APEX Payments</td> </tr> </tbody> </table>	Account	Debit	Credit	Description	21111	\$15,000		Outstanding MO liability	26140xx		\$15,000	APEX Payments
Account	Debit	Credit	Description										
21111	\$15,000		Outstanding MO liability										
26140xx		\$15,000	APEX Payments										
4	An adjustment file is produced for the serial numbers being replaced. This file is updated to the history file.												
5	The original serial number is flagged "replaced," to ensure that, if the original money order and replacement check are cashed, the GAB is alerted to a double payment.												

10-2.35 Money Order/Voucher Comparison to Reported Issues

The Money Order/Reconciliation System (MOREC) performs a comparison between vouchers/cashed money orders recorded on the money order database and the issue records reported through SAFR. Differences are automatically expensed to the units.

The following table shows the process for the automated MOREC system:

Stage	Description												
1	Data is selected from the money order database and the (SAFR/ RESA) sales issue file, by business date.												
2	A one-to-one comparison is done between the serial number and the amount from the money order database and the sales issue file. Records matching between serial number and exact dollar amount are excluded from further processing.												
3	Totals are now built for the records that did not match by cost center and business date.												
4	Money order database totals for each cost center are compared to totals from the sales issue file for the same cost center. If the difference between the 2 summary totals falls within a predetermined tolerance the cost center is said to be within tolerance and all serial numbers associated with that cost center are excluded from further processing.												
5	For cost centers that do not fall within tolerance a further comparison is done at a business date level. If the difference for a business date is within a predetermined tolerance level the business date is said to be within tolerance and all serial numbers associated with that business date are excluded from further processing.												
6	Serial numbers that are not identified during the one to one match or the application of tolerances are automatically expensed to the cost center.												
7	JV 413.5 journalizes the automated expenses. <table border="1" data-bbox="699 1291 1414 1501"> <thead> <tr> <th>Account</th> <th>Debit</th> <th>Credit</th> <th>Description</th> </tr> </thead> <tbody> <tr> <td>56203</td> <td>\$999.99</td> <td></td> <td>Money order database amount exceeds sales issue file.</td> </tr> <tr> <td>21111</td> <td></td> <td>\$999.99</td> <td>Increase Money order liability</td> </tr> </tbody> </table> <p>Note: Debits and credits will reverse if the amount on the sales issue file exceeds the amount on the money order database.</p>	Account	Debit	Credit	Description	56203	\$999.99		Money order database amount exceeds sales issue file.	21111		\$999.99	Increase Money order liability
Account	Debit	Credit	Description										
56203	\$999.99		Money order database amount exceeds sales issue file.										
21111		\$999.99	Increase Money order liability										
8	Tolerances: Cost center, daily, and serial number tolerances are determined by Revenue and Field Accounting. Tolerances are expensed service-wide.												
9	Unreported paid money orders are cashed money orders that have not been reconciled through the automated MOREC system. These items are expensed to the cost center.												

Stage	Description		
10	Unreported paid money orders are expensed via JV 9xx.x		
	Account	Debit	Credit
	56203	\$999.99	
	21111		\$999.99
	Note: Unreported paid money orders are always a debit to expense and a credit to the money order liability account.		

10-2.36 Motor Vehicle Reports

Each month, numerous motor vehicle reports are generated and provided to Headquarters, Vehicle Maintenance, Area Offices, and the VMFs. The most crucial reports are the asset and inventory subsidiary ledgers and the cost reports that indicate the maintenance per vehicle.

This information provides management with performance indicators, which help to evaluate the performance of VMFs and to provide a guide for future procurements and disposition of vehicles.

10-2.37 Motor Vehicle Salvage

Vehicles are sold for salvage at the Post Office level. PS Form 4587, *Request to Repair, Replace, or Dispose of Postal-Owned Vehicle*, is furnished to Accounting Services, San Mateo. For further information, see Handbook F-1, *Post Office Accounting Procedures*.

The following table shows the process for motor vehicle salvage:

Stage	Description
1	Monies are entered through the AR system.
	Entries are made to reduce the motor vehicle asset account and to make the appropriate entries for gain or loss on the sale.

10-2.38 **Standard Accounting For Retail (SAFR)**

The following table shows the process for SAFR:

Stage	Description
1	SAFR automates the accounting function at the field level in areas of accountability, money and cash management, accountable paper, trust, and suspense.
2	SAFR consists of three primary software systems: <ul style="list-style-type: none"> ■ ReSA: resolves sales exceptions. ■ Stock Ledger: maintains inventory by resolving in-transit stock shipments and discrepancies between the Stock Ledger inventory balance and the balance reported by the cost center. ■ Chesapeake T-RECS: reconciles financial data with bank and other external sources.
3	ReSA and Stock Ledger are at Saint Louis. Chesapeake T-RECS is at Eagan.
4	ReSA receives and processes receipt and disbursement transactions from PS Form 1412 and PS Form 3083, <i>Trust Account Receipts and Withdrawals</i> , for more than 46,000 cost centers daily. These transactions are summarized by Account Identifier Codes (AICs).
5	Stock Ledger receives and processes inventory transactions from the cost centers, including the Stamp Distribution Offices (SDOs), Stamp Service Centers (SSCs), the Accountable Paper Depositories (APDs), and the suppliers.
6	Chesapeake T-RECS receives and reconciles summarized data for each cost center, book side (PS Form 1412) data comes from ReSA, bank deposits (AICs 751, 752), Change Funds Received (AIC 293), Credit Card (AIC 772), and Debit Card (AIC 762) and is reconciled with bank side data from outside vendors (banks and third party debit/credit card processors).
7	ReSA exports data to: <ul style="list-style-type: none"> ■ ADM — Accounting Data Mart ■ CDAS — Corporate Data Acquisition Services ■ Chesapeake — Total Reconciliation Solution ■ CPUT — Contract Postal Unit ■ EMRS — Express Mail Reporting System ■ GL — General Ledger ■ NMATS — National Meter Activity Tracking System ■ MO — Money Orders ■ RMS — Retek Merchandising System Stock Ledger
8	Stock Ledger exports data to: <ul style="list-style-type: none"> ■ ADM — Accounting Data Mart ■ CDAS — Corporate Data Acquisition Services ■ GL — General Ledger
9	Chesapeake exports data to: <ul style="list-style-type: none"> ■ ADM — Accounting Data Mart ■ CDAS — Corporate Data Acquisition Services ■ GL — General Ledger

10-2.39 **SAFR Revenue and Expense JVs**

The AICs are converted to the appropriate general ledger account numbers for journalization in the general ledger processing. The SAFR systems generate the JVs for export to CDAS and the GL.

The JVs are:

Journal Voucher	eaGLe
JV 411.0	All PS Forms 1412 and 3083 activity summarized and exported by ReSA.
JV 412.0	The net change in inventory at the Cost Centers (field units and SDOs/SSCs/APDs) and the expenses for adjustments from the Cost Centers and from the Stock Ledger. This activity is summarized and exported by Stock Ledger.
JV 415.1	Chesapeake Banking Reconciliation Differences
JV 415.2	Chesapeake Sure Money Reconciliation Differences
JV 415.3	Chesapeake Credit/Debit Card Reconciliation Differences
JV 415.4	Chesapeake Change Funds Reconciliation Differences

11 Miscellaneous Transactions

This chapter contains the Account Number Control Master File, Standard Journal Voucher Master File, and other miscellaneous transactions, reports and controls.

11-1 Overview

11-1.1 Account Number Control Master File

The Account Number Control Master File (ANCM) is used to validate general ledger accounts used in the journal voucher process. It also provides roll-up and balancing codes for reporting; for example: financial reporting, auditor's balance sheet, and cost segment reporting, etc.

11-1.2 Coding

The ANCM is used to validate account numbers in journal voucher processing. Below are components of an account number available for use in set up. The account numbers are maintained in Oracle GL (Legacy – Oracle Mapping) and passed to ANCM daily.

Description
Legacy Account Number
Account Name
Effective Account Number
Payment Type
Revenue By Source Code
Facts1 Code
Hour Type
Account Type
FPR Line Number
FPR Sub Line Number
Object Class
Auditors Balance Sheet
Cost Segment Code
JV Transfer Indicator
Legacy Account Number Effective Date
Account Description
Oracle Account Number
Oracle Account Number Effective Date

The legacy account number consists of 8 digits — a 5-digit primary account code and a 3-digit subaccount code.

The effective account number consists of 8 digits – a 5-digit primary account code and a 3-digit subaccount code. This account number is passed to the Accounting Data Mart and is used as the primary source of financial reporting and reconciliation.

The Oracle account number is a 5-digit natural account. Oracle GL maintains account information at this 5-digit “rolled up” level.

11-1.2.1 **Account Number Coding Summary**

The table below presents a brief description of what each digit of the 8-digit account number represents.

Note: *The first five digits (1–5) of the account number represent the “primary account code.”*

Account Number Digit	Description
First (Xxxxxxx)	Represents the classification code.
Second (xXxxxxx)	Represents the category code. This digit is associated with a particular classification.
Third (xxXxxxx)	Represents the subcategory code. This digit is associated with a particular category.
Fourth and Fifth (xxxXXxx)	These digits complete the unique number associated with an account.
Sixth, Seventh, and Eighth (xxxxXXX)	These digits, when used, represent the subaccount code (.001 through .999). The 3-digit “suffix” of the subaccount code serves to further identify an account for expanded reporting purposes. Subaccounts are also used to identify beginning-year balances, withholdings versus payments, prior-year adjustments, sales and receipt transfers, retirements, write-offs of plant and equipment, and transfers between Accounting Services locations.

This section includes:

- Tables that provide additional detail of the account number's primary classification (first digit), category (second digit), and subcategory (third digit).
- An example of an 8-digit account number.

11-1.2.2 **Primary Classification Code**

The first digit of the account number determines the primary classification of accounts. Each subsequent digit of the primary account number represents a subgroup of the financial data. The table below provides an explanation of each “first digit”:

Number (first digit)	Primary Classification	Identification
1xxxx	Asset	Cash, securities, accounts receivable, inventories, advances, prepayments, deferred charges, and plant and equipment under construction and in service.
2xxxx	Liability	Outstanding debts or obligations for money orders, payroll taxes and benefits, accounts payable, inventory valuation, deferred revenue, and other miscellaneous payables.
3xxxx	Equity	Retained earnings or deficit.
4xxxx	Revenue	Income from the sale of postage, other postage items, and services, mortgage interest earned, and security investments.
5xxxx	Expense	Cost of payroll salaries and benefits, supplies and services, transportation, plant and equipment depreciation, claims and other operation/non-operation expenses.
6xxxx	(not used)	
7xxxx	Expense Commitment	Expendable supplies and services on order. Expense commitment accounts are zero balancing.
8xxxx	Capital Commitment	Property, plant, and equipment on order. Capital commitment accounts are zero balancing.
9xxxx	Reconciliation	Established for reconciliation purposes only; used to store reconciliation data during the AP journal processes and in the YTD file.

11-1.2.3 **Category and Subcategory Codes**

The second digit of the account number represents the category code; it is associated with a particular classification code. The third digit of the account number is the subcategory code; it is associated with a particular category.

The table below shows category and subcategory designations for each primary classification;

Classification Code (First Digit)	Category (Second Digit)	Subcategory (Third Digit)
1 – Asset	1 – Cash	1 – In Bank 2 – On Hand 3 – In Transit
	2 – Securities	0
	3 – Accounts Receivable	1 – U.S. Government 2 – Foreign Countries 4 – Other 5 – Reciprocals (Receivable From/To) 6 – Reciprocals (Receivable From/To) 8 – Mortgages 9 – Provision for Doubtful Accounts
	4 – Inventories	3 – Supplies, Materials, and Equipment
	5 – Advances and Prepayments	1 – Advances 2 – Prepayments and Deferred Charges 3 – Other Assets
	6 – Plant and Equipment Under Construction	1 – Facilities 2 – Mail Processing Equipment 3 – Motor Vehicles 4 – Customer Services Equipment 5 – Postal Support Equipment 7 – Repairs and Alterations 8 – Project Authorization (Memo)
	7 – Property, Plant, and Equipment in Service	1 – Facilities 2 – Mail Processing Equipment 3 – Motor Vehicles 4 – Customer Service Equipment 5 – Postal Support Equipment 8 – Property Less than \$1,000 9 – Accumulated Depreciation

Classification Code (First Digit)	Category (Second Digit)	Subcategory (Third Digit)
2 – Liability	1 – Outstanding Postal Money Orders	1 – Domestic 2 – International
	2 – Accrued and Payable Payroll, Taxes, and Benefits	1 – Payroll 2 – Payroll, Taxes, Retirement, and Insurance 3 – Workers' Compensation 4 – Other Payroll Withholdings
	3 – Accounts Payable and Accruals	1 – U.S. Government 2 – Foreign Countries 3 – Carriers of Mail 4 – Other 8 – Memo Payable Accounts
	4 – Inventory Valuation Control	1 – Postal Stock 3 – Stamp Accountability 4 – Public Service Products 5 – Inventory Differences
	5 – Prepayments (Deferred Revenues)	1 – Estimated Postage in Hands of the Public 2 – Deferred Box Rents 3 – Customer Deposits 4 – Public Service Appropriations
	6 – Other Liabilities	1 – Miscellaneous Liabilities 2 – Long-term Indebtedness 3 – Unfunded Liabilities
	7 – Nonpostage Stamps Zero Balance Inventories	1 – Migratory Stamps 2 – Food Coupons
3 – Equity	1 – USPS Fund Equity	1 – Funds Used
	2 – USPS Equity	1 – Capital Equity 2 – U. S. Treasury –Financing 3 – Transfers from U.S. Government Agencies 4 – Transfers to U.S. Government Agencies 5 – Expense Commitment

Classification Code (First Digit)	Category (Second Digit)	Subcategory (Third Digit)
4 – Revenue	1 – Postage	1 – Stamps and Stamped Paper 2 – Metered Postage 3 – Second Class Postage 4 – Permit and Official Mail 5 – Other
	2 – Products	1 – Retail Products 3 – Public Service Products
	3 – Services	1 – (Unassigned) 2 – Electronic Services 3 – Retail Services 4 – Public Services
	4 – Others	0
	7 – Mortgage Interest	1 – Interest Earned
	8 – Security Transactions	0
	9 – Cost of Revenues	2 – Retail Products
5 – Expense	1 – Personnel	1 – Personnel Compensation 2 – Personnel Benefits 3 – Employee Relations 4 – Travel 8 – Transfers From/To 9 – Reimbursements and Cost Reductions
	2 – Supplies, Materials, and Services	1 – Supplies and Expendable Equipment 2 – Inventory Adjustments 3 – Contractual Services, Other than Equipment Repairs and Maintenance 4 – Other Services 8 – Freight 9 – Reimbursement and Cost Reductions
	3 – Transportation of Mail, Empty Mail Equipment	1 – Domestic 2 – International - Nonmilitary 3 – International - Military 4 – Domestic Air Service 5 – Domestic Air Service 9 – Reimbursements and Cost Reductions

Classification Code (First Digit)	Category (Second Digit)	Subcategory (Third Digit)
5 – Expense (continued)	4 – Plant and Equipment	1 – Building Occupancy 2 – Expendable Buildings, Improvements, and Other Projects 3 – Depreciation / Amortization 4 – Equipment Rental, Other than Vehicles 5 – Equipment Repairs, Maintenance, and Other Expenses 6 – Gains and Losses 9 – Reimbursements and Cost Reductions
	5 – Tort Claims, Judgments	1 – Tort Claims - Motor Vehicles and Indemnities Accidents - Over \$100 2 – Tort Claims - All Others 3 – Judgments and Indemnities
	6 – Other Operating Expenses	1 – Amortization, Other than Leasehold Improvements 2 – Credits and Collections 3 – Special Committees 4 – Special Inspection Expenses 6 – Miscellaneous
	8 – Nonoperating Expenses	1 – Interest 2 – Securities 3 – Other - SDR
7 – Expense Commitment	0 – Commitment Control Services	2 – Supplies, Materials, and Services 3 – Empty Mail Equipment 4 – Plant and Operating Equipment 6 – Other Operating Expenses 9 – Facilities Management and Support Services Contract
	1 through 8 – See “5 – Expenses,” category information listed earlier in this table	1 through 8 – See “5 – Expenses,” subcategory information listed earlier in this table
	9 – Facilities Management National Service Contract	0

Classification Code (First Digit)	Category (Second Digit)	Subcategory (Third Digit)
8 – Capital Commitment	0 – Commitment Control	4 – Inventoriesl
	2 – Unfunded Annual Leavel	1 – Headquarters Onlyl
	4 – Inventoriesl	3 – Supplies Inventoriesl
	6 – Plant and Equipment Under Constructionl	1 – Facilities 2 – Mail Processing Equipment 3 – Motor Vehicles 4 – Customer Service Equipment 5 – Postal Support Equipment 9 – Earned Discountl
	7 – Capital Equipmentl	8 – Purchasesl

11-1.2.4 **Example of an 8-Digit Account Number**

Here is an example of an 8-digit account (A/C) number:

A/C 51101.xxx

The number shown is a payroll expense account that includes personnel compensation straight-time salaries and workhours for full-time employees. See the table below for details.

5-digit primary account code (identifies the account category, including the subcategory)	
Digit	Description
5 (first digit)	5 = expense
1 (second digit)	1 = personnel cost
1 (third digit)	1 = personnel compensation
0 (fourth digit)	01 = workhours
1 (fifth digit)	01 = workhours

3-digit subaccount code (further identifies the account; in this example, it identifies the personnel classification)	
Digit	Description
Subaccount .101)	Postmaster
Subaccount .102)	Supervisor
Subaccount .103)	Clerk

11-1.2.5 **Primary Balancing and Roll-up Codes**

The ANCM File contains the following major balancing and roll-up codes.

- FPR line numbers.
- Auditor’s balance sheet lines.
- Effective Account Number.
- Oracle Account Number.
- Object class.

11-1.2.6 Control and Maintenance

Maintaining the account master file has two levels of responsibility: Corporate Accounting and Accounting Services in Eagan. The following table shows each level, its responsibility, and additional information relevant to that level:

Level	Responsibility	Additional Information
Corporate Accounting	<ul style="list-style-type: none"> ■ Provides account code activity, including: additions, changes, and deletions to account codes. ■ Receives and reviews all requests for new accounts, deletions, and changes. ■ Determines, then issues changes by Handbook F-8 memorandum. 	<ul style="list-style-type: none"> ■ The Handbook F-8 memorandum identifies all coding to be made for the account and the effective date (month of change). ■ Accounts must be added, changed and/or deleted in the month stipulated in the Handbook F-8 memorandum.
Eagan	<ul style="list-style-type: none"> ■ The Eagan Finance Branch updates the ANCM File. ■ Through file verification, an updated ANCM File is transmitted to each Accounting Services location at the beginning of the month. ■ Ensures account number updates are processed prior to any journal voucher activity for the affected month. 	<ul style="list-style-type: none"> ■ All financial journal activities must be removed from a deleted account before any journal entries are made to a new account. ■ The ANCM File must be controlled and reviewed each time it is updated.

11-1.2.7 Cost Segment Reporting Structure

The cost segment reporting structure has two parts:

1. Batch reporting (month, YTD, and quarterly).
2. Online screens (inquiry and update).

The purpose of this structure is to group similar segment codes, denote any special sub-groupings, accommodate special printing requirements, and create individual descriptions for all breakdowns of the cost segment. The online screens are used to create the reporting structure for the Statement of Revenue and Expense Report.

11-1.2.8 Cost Segment Reporting System

The Cost Segment Reporting System is used to supply financial information, including revenues and costs that are used in postal rate analysis. The system consists of an online update system (ABVT3000) that is used to update reporting structure changes and reports that are used to support rate analysis and rate cases submitted to the Postal Rate Commission. Reporting of structure changes is done via Handbook F-8 memorandum changes to the Account Description File.

11-1.3 Standard Journal Voucher Master File

The Journal Voucher Master File provides journal voucher (JV) description and validation information.

11-1.3.1 Description

A 4-digit number is used to identify all JV entries. The first digit of the JV number generally identifies the type of transaction, as shown in the table below:

JV Number (first digit)	Transaction Group
1xx.x	Disbursements
2xx.x	Accruals and estimates
3xx.x	Reversals of accruals
4xx.x	Postal account transactions
5xx.x	Cash transactions
6xx.x	Stamp accountability
7xx.x	Receivable, international accounts, motor vehicle depreciation accounts, and other miscellaneous transactions
8xx.x	Accounting transfers
9xx.x	Manual journals (specific ranges are assigned to each Accounting Services location and HQ)

Other digits of the standard JV number are as follows:

JV Number (remaining digits)	Description
xXX.x	The second and third digits of the JV number indicate specific relationships of similar transactions. For example, JV 121.0 is related to JV 122.0 The first digit, 1, represents disbursements approved The second digit, 2, indicates the type of disbursement — in this case, payroll. The third digit, 1 or 2, identifies the pay period of disbursement.
xxx.X	A fourth digit, if other than zero, in most cases is used to record adjustments to the recurring standard JV. Specific standard journals using a number other than zero are maintained to expand specific related transactions that recur in a month.

11-1.3.2 Control and Maintenance

Updates to the JV Master File are controlled by Eagan Accounting Services with notification to Corporate Financial Reporting. The following table shows responsibilities and information relevant to this process:

Responsibility	Additional Information
<ol style="list-style-type: none"> Determines if a JV number is to be established/changed. Updates the Standard Journal Voucher information in Oracle GL. 	<ol style="list-style-type: none"> Standard journals are used for recurring entries and are monitored by Corporate Accounting and each Accounting Services branch. Requests to establish or change a standard journal must be made through Accounting Services, Eagan. Corporate Accounting is notified of a new or changed journal. The JV Master List is maintained within the Oracle General Ledger.

11-1.4 Imprest Fund Activity

Imprest (petty cash) funds are fixed monies maintained at various postal locations for minor emergencies or purchases. Each imprest fund cashier is responsible for maintaining the balance assigned.

The following table shows the process for imprest fund activity:

Stage	Description
1	Imprest funds are replenished by Accounting Services, San Mateo, based on PS Form 1129, <i>Cashier Reimbursement Voucher and/or Accountability Report</i> .
2	A listing of authorized imprest fund cashiers is maintained by San Mateo.
3	San Mateo confirms the imprest fund balances annually.
4	A/C 11210 must be updated each time the accountability or amount of the fund changes.

11-1.5 Centralized Account Processing System

The Centralized Account Processing System (CAPS) is an electronic postage payment system that provides business mailers a centralized, convenient, and cost effective way to fund:

- Permit Imprint.
- Business Reply Mail.
- Merchandise Return Service.
- Postage Due Account.
- Express Mail Corporate Account.
- Address Element Correction.

CAPS provides an electronic alternative to presenting checks and cash for postage and fees at multiple post offices. Customers can choose from two account types: Centralized Trust Accounts — Customers deposit funds using electronic funds to transfer to the CAPS bank prior to mailing. The CAPS account is automatically reduced when local post offices process

postage statements. Centralized Debit Accounts — Customers designate a debits-enabled bank account for postage charges. The bank account is debited for the total days postage on the next bank business day.

11-1.6 **Advances to Headquarters Inspection Service and the Office of Inspector General**

Cash is advanced to the Inspection Service (IS) and the Office of Inspector General (OIG) by Accounting Services, San Mateo, for obtaining confidential information and for investigative purposes.

The following table shows the process for advances:

Stage	Description
1	A debit is made to A/C 11213, IS/OIG Confidential and Investigative Funds.
2	Funds issued for investigative purposes are returned to the postal service at the end of the period/activity for which the funds were issued.
3	As amounts are expended for obtaining confidential funds, A/C 56409, Special Investigative Expenses, is debited and A/C 11213 is credited.
4	These entries are made at the end of each postal quarter on JV 797.0.

11-1.7 **Other Miscellaneous Transactions, Reports, and Controls**

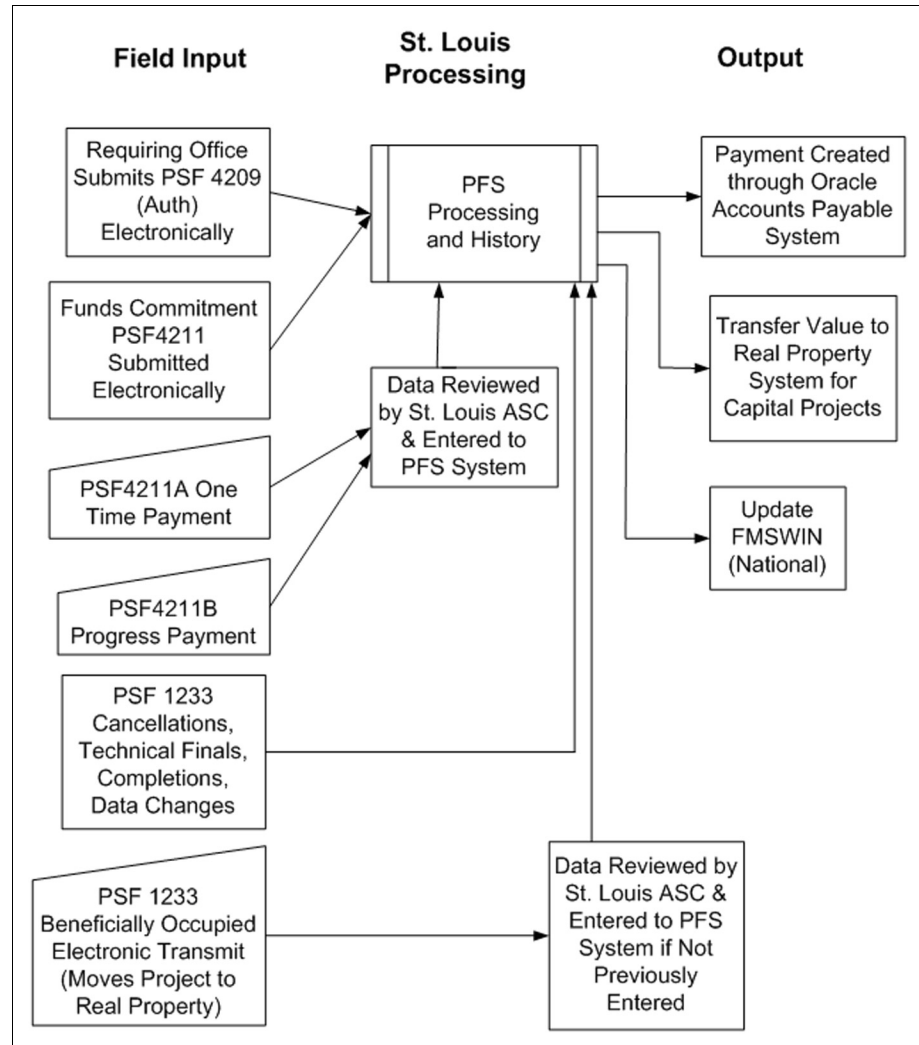
The following subsystems interface with the National Accounting System (NAS), but are not described in this document. They are also reviewed for accuracy and reasonableness.

- Accounts payable.
- Centralized Account Processing System (CAPS).
- Commercial collection agency.
- Flexible Spending Account (FSA).
- GOALS/SF 224 reporting to U.S. Treasury.
- Management Vehicle Accounting System (MVAS).
- Intra-Governmental Payment and Collection (IPAC) Systems.
- Passports.
- Payroll.
- Property (property and real).
- Recap of receipts and disbursements.
- Retirement/Office of Personnel Management (OPM).
- Thrift Savings Plan (TSP).
- Treasury/cash reconciliation.
- Treasury Offset Program (TOP).
- EBAY/PAYPAL.
- USPS.COM Web Sales.
- MasterCard Incentive Program.
- Endicia (formerly PSI).
- Stamps.com.
- Bill Me Later.

11-1.8 **Project Financial System**

The Project Financial System (PFS) was designed to establish, maintain, and report all outstanding budget authorizations, commitments, payments, and close-outs on construction and improvement projects for the Postal Service. PFS covers land, buildings, and mail processing equipment and related noncapital expenses. Memo asset accounts are maintained to control the overall status of projects and to identify those projects — both uncommitted and committed — that are approved by the Capital Investment Committee.

Project Financial System



11-1.8.1 PFS-Related Journal Vouchers

A zero balance is always required in the total of the memo accounts so that assets are not distorted. The memo accounts (168xx) give visibility to the progress of major projects.

The table below shows JVs that are used to record PFS activity:

Journal Voucher	Description
JV 224.0	Record commitments made for PFS projects.
JV 224.3	Record activity to the PFS history file (memo accounts).
JV 714.0	Record PAC's authorizations (memo accounts) for the AP.
JV 721.0	Move real property assets from in-progress to in-service.
JV 722.0	Record payments of the capital and expense commitments contra accounts, appropriate in-progress and nonfund expense accounts.
JV 725.0	Transfer interest expense to in-progress capital accounts.
JV 726.0	Transfer lease building improvement projects to leasehold improvements amortization accounts or written off to expense, as applicable.
JV 727.0	Capitalize interest from in-progress to in-service accounts.

11-1.8.2 Responsibility

Quality control of financial data must begin at the point where the financial transaction is initiated. Typically, this is:

- A Post Office window (stamps sales, money order transactions).
- A timekeeping or human resources site (work hours or employee status changes).
- A meter setting company.
- Other external sources.

If data is entered correctly at the source, quality assurance entails maintaining data reliability through the consolidation and summarization process.

11-1.8.2.1 Major Responsibilities

Major responsibilities for control and scheduling of financials are shown in the table below.

Area	Responsibility
Accounting Services	<p>Primary responsibility for maintaining the reliability of summarized financial data lies in the accounting sections at the various Accounting Services locations.</p> <p>Each section — such as Accounts Payable, Accounts Receivable, Property, and SAFR/Postal Accounts — is responsible for proper balancing and reconciliation to ensure that correct journal voucher entries are passed to the general ledger</p> <p>Accounting Services must ensure that the consolidated and summarized reporting of amounts from the various subsystems are accurately processed.</p>
IBSSC	<p>Integrated Business Systems Service Center (IBSSC) personnel are responsible for the proper implementation and testing of the various financial systems that process financial data.</p>
COSC	<p>Computer Operations Service Center (COSC) personnel are responsible for proper installation of these programs and timely and accurate processing of related jobs.</p>

11-1.8.2.2 Accounting Services Control Processes

Accounting Services personnel must ensure accuracy of all financial information using the control processes listed below.

- Journal voucher check off, debit control review, and approval.
- Comparison between OGL and ADM.
- Reconciliation of Balance Sheet accounts.
- Fluctuation analysis and reasonableness check against prior periods.
- Balancing and control of Accounting Services clearing accounts.
- Balancing of external JVs (cash deposits, CMRS).
- Balance automated JVs to subsystem reports.

Final approval for each accounting close must come from Corporate Accounting.

11-1.8.2.3 Accountability for Reports

The manager at each location is responsible and accountable for subsystems and journal entries affecting the National Trial Balance (NTB), National General Ledger and related financial reports.

All Accounting Services managers and their staff members act as liaisons with Corporate Accounting and interact both with each other and with field accounting units.

The NTB system produces numerous computer-generated management reports. These reports are available online in the Accounting Data Mart (ADM) and can be printed and routed to remote printers throughout the country.

The table below provides a brief description of each report.

Report	Description
Journal Voucher Summary by Account (JVSA)	<ul style="list-style-type: none"> ■ Current activity file is a summary of merged journal voucher activity sorted by general ledger account number. ■ A separate report is prepared for each Accounting Services location.
Financial Performance Report (FPR)	<ul style="list-style-type: none"> ■ Revenue and expense information is displayed by FPR line number. ■ Report is generated at the finance number, district, area, performance cluster (PFC), and national levels. ■ Report includes same period last year (SPLY), as well as plan data, which is the estimated revenue and expense (budget).
National Workhour Reporting System (NWRS)	<ul style="list-style-type: none"> ■ NWRS extracts data from payroll journal vouchers and provides totals by function line (LDC). ■ SPLY and plan data are included.
Trial Balance	<p>The National Trial Balance (NTB) includes:</p> <ul style="list-style-type: none"> ■ Prior year ■ Current period ■ Prior period adjustments ■ Year to date balances by general ledger account number
General Ledger	National General Ledger is similar to the NTB but also includes journal voucher and Accounting Services detail and totals.
Revenue and Expense Reports	Revenue and expense reports are similar to FPRs but also provide account number information within FPR line number.

Appendix A

Acronyms and Abbreviations

The acronyms and abbreviations used in this handbook are defined below:

Acronym or Abbreviation	Full Name
ABN	American Bank Note Company
A/C	Account
ACH	Automated Clearing House
ADM	Accounting Data Mart
AES	Automated Enrollment System
AHD	Accounting Help Desk
AIC	Account Identifier Code
AICPA	American Institute of Certified Public Accountants
ALC	Agency Location Code
ANCM	Account Number Control Master
APB	Accounting Principles Board
APD	Accountable Paper Depository
APO	Army Post Office
APS	Adjustment Processing System
AR	Accounts Receivable
ARB	Accounting Reconciliation Branch
AS	Accounting Services
BA	Budget Authorization
BEP	Bureau of Engraving and Printing
BSA	Bank Secrecy Act
CAG	Cost ASCertainment Group
CAPS	Centralized Account Processing System
CAT	Customer Acceptance Test
CCTS	Commercial Check Tracking System
CDAS	Corporate Data Acquisition System
CDB	Corporate Database
CFAS	Client Funding Agreement System
CICRS	Customer Inquiry and Claims Response System
CIS	Corporate Information System
CMRS	Computerized Meter Resetting System
COSC	Computer Operations Service Center
COTS	Commercial Off-The-Shelf
CPA	Certified Public Accountant

Acronym or Abbreviation	Full Name
CR	Credit
CPUT	Contract Postal Unit Technician
CSRS	Civil Service Retirement System
CTAPS	City Time and Attendance Processing System
CVR	Cross-Validation Rule
CY	Calendar Year
DBSS	Database Support Services
DOI	Department of Interior
DR	Debit
eagle	Excellence in Accounting through the General Ledger
EAPS	Eagan Accounts Payable System
EAS	Executive and Administrative Schedule
eBuy	Electronic Buying System
eCAP	eCapabilities
EDW	Enterprise Data Warehouse
EFMS	Electronic Facilities Management System
EFT	Electronic Funds Transfer
eIWS	Enterprise Imaging Workflow System
EMF	Employee Master File
ETC	Electronic Time Clock
E & V	Edit and Validation Master File
EVA	Economic Value Added
FASB	Financial Accounting Standards Board
FDC	Finance District Code
FEDSTRIP	Federal Standard Requisitioning and Issue Procedures
FERS	Federal Employees Retirement System
FICA	Federal Insurance Contribution Act
FMSWIN	Facilities Management System – Windows
FNAG	Finance Number Approval Group
FNCM	Finance Number Control Master
FON	Functional Operations Number
FPA	Foreign Postal Administration
FPO	Fleet Post Office
FPR	Financial Performance Report
FRB	Federal Reserve Branch
FSA	Flexible Spending Account
FSB	Field Sales Branch
FSG	Financial Statement Generator
FWS	U. S. Fish and Wildlife Service
FX	Foreign Exchange
FY	Fiscal Year
GAAP	Generally Accepted Accounting Principles
GAB	General Accounting Branch
GBL	Government Bill of Lading

Acronyms and Abbreviations

Acronym or Abbreviation	Full Name
GEM	Global Electronic Money Order System
GFY	Government Fiscal Year
GL	General Ledger
GOALS	Government Online Accounting System Link System
GPO	Government Printing Office
GSA	General Service Administration
HQ	Headquarters
IAB	International Accounting Branch
IBSSC	Integrated Business Systems Service Center
ICS	Interest Capitalization Subsystem
IDMS	Integrated Database Management System
IMF	Installation Master File
IPAC	Intra-Governmental Payment and Collection
IRS	Internal Revenue Service
IWS	International Web System
IS	Inspection Service
ISC	Information Service Center
IVR	Interactive Voice Response
JCL	Job Control Language
JEV	Journal Entry Vehicle
JV	Journal Voucher
JVSA	Journal Voucher Summary by Account
JVT	Journal Voucher Transfer
KCSFS	Kansas City Stamp Fulfillment Services Center
LDC	Labor Distribution Code
LPS	Lease Payment System
LTATS	Loan Transfer and Training System
LUR	Labor Utilization Report
LWOP	Leave Without Pay
MBB	Military Buy Back
MDC	Material Distribution Center
MDIMS	Material Distribution Inventory Management System
RETEK	Retail Technology Company
OAM	Oracle Account Master
OGL	Oracle General Ledger
RMIS	Railroad Management Information System
ROG	Reporting Operational Group
RWA	Reimbursable Work Authorization
RTAPS	Rural Time and Attendance Processing System
RMIS	Railroad Management Information System
ROG	Reporting Operational Group
RWA	Reimbursable Work Authorization
RTAPS	Rural Time and Attendance Processing System
SAFR	Standard Accounting For Retail

Acronym or Abbreviation	Full Name
SIBAC	Simplified Interagency Billing and Collection System
SDN	Stamp Distribution Network
SDO	Stamp Distribution Office
SEC	Securities and Exchange Commission
SF	Standard Form
SL	St. Louis
SM	San Mateo
SMS	Settlement Management Subsystem
SOA	Statement of Account
SOC	Stamps on Consignment
SOD	Statement of Difference
SPLY	Same Period Last Year
SS	Subledger Systems
SSC	Stamp Service Center
SSN	Social Security Number
SSS	Selective Service System
SURDA	Standard Field Accounting Unit Revenue Data Access
TACS	Time and Attendance Collections System
TCPS	Transportation Contract Payment System
TCSF	Transportation Contract Support System
TFS	Treasury Financial Services
TIN	Tax Identification Number
TOPS	Treasury Offset Program
TSP	Thrift Savings Plan
UPU	Universal Postal Union
USPS	United States Postal Service
VMAS	Vehicle Management Accounting System
VMF	Vehicle Maintenance Facility
VOIS	Vehicle Operations Information System
WCIS	Workers' Compensation Information System
YTD	Year to Date

Appendix B

References

Appendix B provides a list of Postal Service units and other federal agencies, publications, and forms mentioned in this handbook.

Postal Service Units and Other Agencies

Postal Service units cited in this manual:

- Accounts Payable, San Mateo Accounting Services (AS)
- Accounts Payable Branch, St. Louis AS
- Accounting Reconciliation Branch, Eagan AS
- Centralized Account Processing System, San Mateo AS
- Computer Operations Service Center, Security Office, Eagan, MN
- Controller
- Corporate Accounting
- Corporate Treasury
- Disbursing Branch, Eagan AS
- Accounting Services, Eagan
- Field Sales Branch, St. Louis AS
- Finance Branch, Eagan AS
- General Accounting Branch, St. Louis AS
- Headquarters
- Headquarters Office of Procurement
- Headquarters Payables Branch, St. Louis AS
- Inquiry Branch, St. Louis AS
- International Accounting Branch, St. Louis AS
- Mail Equipment Center
- Mail Transport Equipment Center
- Material Distribution Center, Topeka, KS
- Money Order Branch, St. Louis AS
- National Deposit Contractor
- National Information Service Support Center, Raleigh, NC
- Office of Inspector General
- Philatelic Fulfillment Service Center, Kansas City, MO

- Postal Inspection Service
- Postal Rates Commission
- Purchasing and Materials Service Center
- Redemption-International Branch, St. Louis AS
- Accounting Services, San Mateo
- Stamped Envelope Agency, Williamsburg, PA
- Settlement Unit, Money Order Branch, St. Louis AS
- Accounting Services, St. Louis

Other agencies cited in this manual:

- Bureau of Engraving and Printing
- Federal Reserve Bank
- Government Printing Office
- Internal Revenue Service
- Office of Personnel Management
- U.S. Department of Defense
- U.S. Department of the Interior
- U.S. Department of the Treasury

Publications

Postal Service and other publications cited in this manual:

- *Accounts Payable Procedures.*
- Handbook AS-709, *Credit Card Policies and Procedures for Local Buying.*
- Handbook F-8, *General Classification of Accounts.*
- Handbook F-101, *Field Accounting Procedures (FAP).*
- Articles in the *Postal Bulletin* under these headings: "Finance" and "Policies, Procedures, and Forms Updates."

Forms

Postal Service, IRS, and Standard forms cited in this manual:

- Electronic and Hard Copy 1901 file, *Advice of Classification for Postal Money Orders.*
- PS Form 17, *Stamp Requisition/Stamp Return.*
- PS Form 824, *Journal Entry Form*
- PS Form 835, *Quarterly Report of Originating Registered and C.O.D. Transactions.*
- PS Form 1129, *Cashier Reimbursement Voucher and/or Accountability Report.*
- PS Form 1164-A, *Claim for Reimbursement for Postal Supervisors.*

References

- PS Form 1270, *Idea Proposal*.
- PS Form 1412, *Daily Financial Report*.
- PS Form 1560, *U.S. Postal Installation Information Update Requirement*.
- PS Form 1727, *Award Recommendation/Authorization (Quality Step Increase)*.
- PS 1782, *Training Request and Authorization*.
- PS 1839, *Payment Record for Carrier Drive-Out Agreements*.
- PS Form 1902, *Justification for Billing Accounts Receivable*.
- PS Form 3083, *Trust Accounts Receipts and Withdrawals*.
- PS Form 3131, *Standard Reconciliation of Accounts*.
- PS Form 3637-G, *Batch Header for Official Mail*.
- PS Form 4209, *Project Authorization*.
- PS Form 4541, *Order-Invoice for Vehicle Repair*.
- PS Form 4587, *Request to Repair, Replace, or Dispose of Postal-Owned Vehicle*.
- PS Form 5429, *Certification of Exceptional Contract Service Performed*.
- PS Form 6401, *Money Order Inquiry*.
- PS Form 7370, *Request for Funds Transfer*.
- PS Form 7381, *Requisition for Supplies, Services, or Equipment*.
- PS Form 8049, *Vehicle Hire Pay Adjustment*.
- PS Form 8163, *Request for Fiscal Year Expense Accrual*.
- PS Form 8230, *Authorization for Payment*.
- IRS Form 941, *Employer's Quarterly Federal Tax Return*.
- IRS Form 941c, *Supporting Statement to Correct Information*.
- SF 97, *United States Government Certificate of Release of a Motor Vehicle*.
- SF 215, *Deposit Ticket*.
- SF 224, *Statement of Transactions*.
- SF 2812, *Journal Voucher and Report of Withholdings and Contributions for Health Benefits, Group Life Insurance, and Civil Service*.
- SF 5515, *Debit Voucher*.

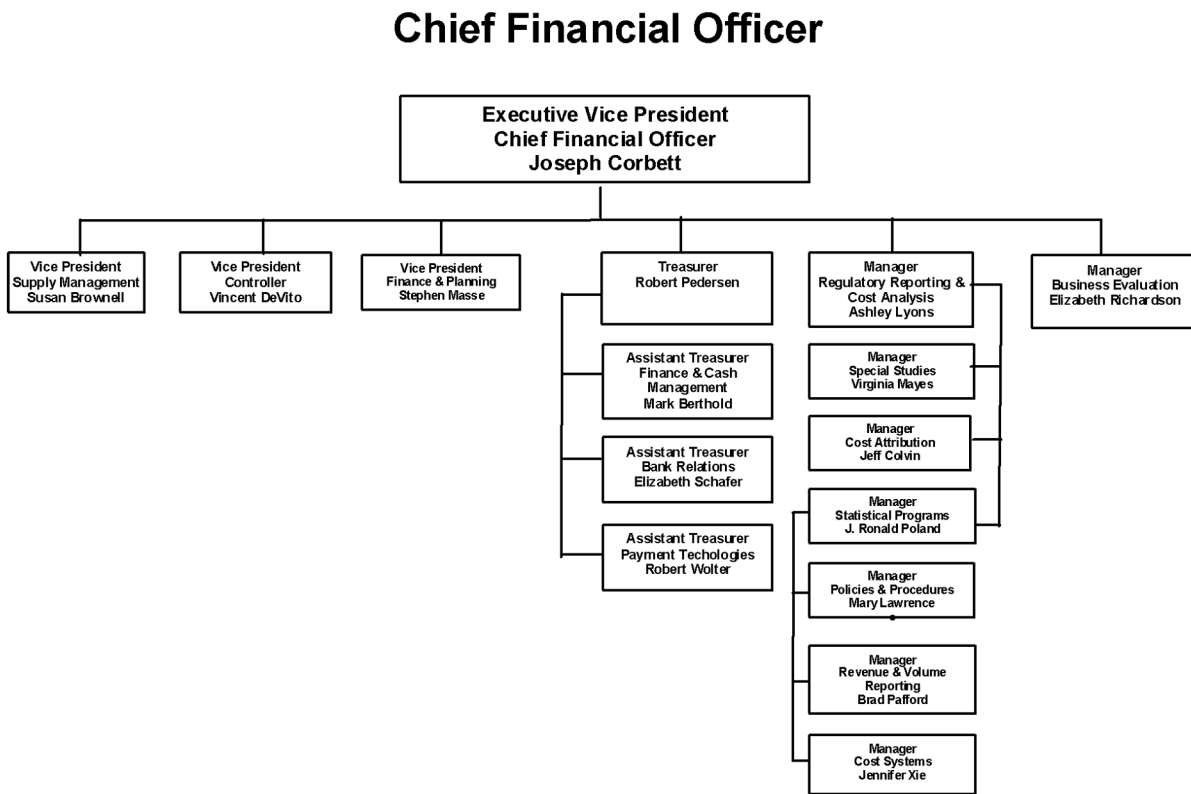
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Appendix C

Organization Charts

Appendix C provides organization charts for Postal Service Headquarters Finance and Controller organizations.

Finance Organization Chart



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Appendix D

Glossary

Appendix D provides brief explanations and descriptions of accounting and financial terms, functions, and concepts.

A

Account (A/C)	Systematic arrangement showing the effect of transactions on a specific balance sheet or income statement item. An account is usually expressed in money. It is the title given to a particular classification and is the basic building block of the account structure.
Accountable Paper Depository (APD)	Large Stamp Distribution Offices that store Postal Service accountable paper, such as stamps and money orders.
Account Identifier Code (AIC)	Three-digit code that assigns financial transactions to the proper account on the general ledger. Each AIC is assigned a corresponding general ledger.
Accounting	System of recording and summarizing business and financial transactions and analyzing, verifying, and reporting the results.
Accounting Process	The accounting process used by the Postal Service is essentially the same as the basic accounting system used by the federal government and the business world. It involves four basic steps by which financial data is converted to usable information. The four basic steps are sequential with regard to financial transaction; they are: <ul style="list-style-type: none">■ Capture.■ Record.■ Report.■ Analyze.

Accounting Services (AS)

An accounting, disbursing, and data processing facility that provides accounting support for Postal Service activities. Each Accounting Services branch is specialized for one or more functions, as follows:

AS	Functions
Eagan, MN	Finance, retirement, payroll and disbursing.
San Mateo, CA	Accounts payable and Personal Property Equipment.
St. Louis, MO	Accounts payable, travel vouchers, and postal money orders.

Account Reconciliation

Process of comparing an account balance in the general ledger to the supportive subsidiary ledger or other detailed record, such as a bank statement or treasury report. This involves explaining and/or resolving any differences that may exist. Differences typically result from "in-transit," errors, omissions, or transactions that have been recorded in one set of records but not the other.

Accounts Receivable (AR)

Amounts due on account for products and services purchased or received. Includes employee and vendor receivables due to administrative errors and adjustments. Accounts receivable are presented as a current asset in the balance sheet.

Account Structure

Defined framework of categories grouped by basic characteristic, which establishes the level of detail for capturing, recording and reporting financial data. An account is the title given to a particular classification and is the basic building block of the account structure.

Accrual Basis

Basis whereby transactions and events are recognized when they occur, regardless of when cash is received or paid.

Adjustment Processing System (APS)

Payroll related adjustments are processed through the APS.

American Institute of Certified Public Accountants (AICPA)

AICPA oversees the Financial Accounting Standards Board, which has been granted authority by the Securities and Exchange Commission to address and resolve accounting issues in the United States.

Glossary

Analyzing Accounting Data	Analyzing accounting data is the fourth step in the accounting process. The ultimate destination for all the data captured and translated to information is analysis. It is through analysis of the information that evaluations are made to determine if managerial action is required to modify procedures, standards, or plans. Analysis in this context is the evaluation of reports and information extracts to determine if conditions and standards are within acceptable ranges of performance.
Asset	Something of value owned by the agency: a resource of the agency.
Audit Trail	Path from source document to the accounts. An audit trail is created using the description in the journal and the posting references in the journal and the ledger.
Automated Clearing House (ACH)	Funds transfer system governed by the rules of the National Automated Clearing House Association, which provides for the interbank clearing of electronic entries for participating financial institutions.

B

Balance Sheet	Provides a financial snapshot at the end of a given period, which represents balances in the accounts at a given moment. The total assets on the left side of the balance sheet must equal the total of liabilities plus equity on the right side of the balance sheet.
Budget Authorization (BA)	Two-character code used in reporting systems to group performance clusters and Headquarters organizational units in groups.

C

Cash Basis	Basis whereby receipts are recorded when received and expenditures are reported when paid — without regard to the month in which the receipts are earned or the costs incurred. “Cash” generally refers to payments via cash, checks, or electronic funds transfers.
Cash Flow	Amount of cash received or paid by an entity for a given time period. Cash inflows are collections and receipts of cash. Cash outflows are cash payments.

Category of Accounts	Accounts that are grouped by type (asset, liabilities, equities, revenues, and expenses) to facilitate recording and reporting. This is done to facilitate locating and identifying individual accounts within the system.
Centralized Account Processing System (CAPS)	Offers electronic payment and online account management to business customers as part of the Postal Service cash management system.
Chart of Accounts	List of all financial accounts used to record economic transactions of the business entity. See Handbook F-8, <i>General Classification of Accounts</i> , for the Postal Service chart of accounts.
Civil Service Retirement System (CSRS)	One of two Postal Service retirement systems; the Federal Employees Retirement System is the other. CSRS is not dynamically funded; it incurs additional liabilities each year because the sum of contributions made by employees and employer do not fully fund the future retirement liabilities created.
Closing Entries	Entries to close revenue and expense accounts to equity.
Commercial Check Tracking System (CCTS)	Automated system to track checks issued and all subsequent actions, such as: returned, stopped, voided, cancelled, and cleared checks.
Commercial Off-The-Shelf (COTS)	Software packages and applications purchased from a commercial vendor, used instead of those developed in-house.
Computerized Meter Resetting System (CMRS)	An electronic system that permits the user of an approved postage meter to reset the meter at the user's place of business.
Computer Operations Service Center (COSC)	A data processing facility that provides computer support for postal activities. COSCs are located in San Mateo, CA, and Eagan, MN.
Corporate Data Acquisition System (CDAS)	The General Ledger Accounting and Financial Reporting system uses the CDAS to interface the subledger accounting systems with the Oracle General Ledger (OGL). The overall purpose of CDAS is to standardize the journal import process from source systems to the OGL and the Accounting Data Mart.

Cost ASCertainment Group (CAG)

Method that classifies post offices according to volume of revenue generated. Each year, the *Postal Bulletin* publishes the number of revenue units for each classification. Before the CAG method was introduced, post offices were classified as first-, second-, third-, and fourth-class. CAG classifications are as follows:

CAG	Revenue Unit
CAG A–G	950 or more
CAG H–J	190 to 949
CAG K	36 to 189
CAG L	36 or fewer

Credit (CR)

Transaction on the right side of an account. The normal balances for liability accounts are credits.

Customer Acceptance Test (CAT)

Series of test conditions that a process is run through to provide proof to the user that a new system or system change meets predetermined criteria prior to moving it into production.

D

Debit (DR)

Transactions on the left side of an account. The normal balances for asset accounts are debits.

Double-Entry Accounting

Accounting system that uses two or more accounts for each business transaction. Debit and credit entries are recorded of equal total value.

E

eBuy

eBuy is the Postal Service's electronic purchasing tool. It provides Web-based electronic requisitioning and automates ordering, approval workflow, invoice certification, order status checking, reconciliation, reporting, and payments. eBuy replaces the PS Form 7381 process for commodities available in electronic catalogs.

Edit and Validation Master File (E & V)	<p>The E & V is used for payroll and retirement processing. It contains various segments including:</p> <ul style="list-style-type: none"> ■ Budget authorization (BA) codes. ■ Districts. ■ Finance numbers. ■ Financial organizations. ■ Occupation codes. ■ Union codes. ■ Charity codes. ■ State and local tax codes. <p>“Core” information relating to finance number changes, BA codes, and district codes are passed to the E & V from the Finance Number Control Master. See “Budget Authorization” and “Finance Number Control Master” in this glossary.</p>
Enterprise Imaging Workflow System (eIWS)	eIWS is the Postal Service’s electronic payment system for supplies and services. It provides electronic images captured from hard copy forms to be reviewed, edited, and submitted for payment into the Oracle accounts payable system.
Employee Master File (EMF)	Includes all pertinent information for each Postal Service employee, such as service comp date, pay level, health benefit code, and tax exemptions.
Equity	Assets minus liabilities. Also known as “net worth.” It is a residual value if the assets are used to liquidate the liabilities.
Expense	Outlay chargeable against revenue. Includes assets or liabilities during a period of providing goods, rendering services, or carrying out other activities related to a program or mission.

F

Federal Employees Retirement System (FERS)	One of two Postal Service retirement systems; CSRS is the other. FERS went into effect January 1, 1987. All new employees hired after December 31, 1983, are automatically covered by FERS.
Federal Insurance Contribution Act (FICA)	Law dealing with Social Security taxes and benefits. The taxes withheld from the employee’s wages for Social Security are called FICA taxes; their amount withheld depends on the tax rate and the base amount of wages subject to the tax.

Glossary

Federal Reserve Bank (FRB)	District bank of the Federal Reserve System, or Federal Reserve Board (System). The System is made up of 12 Federal Reserve District Banks, their 24 branches, and many national and state banks throughout the nation. The System serves as the central bank of the United States and manages the nation's monetary supply.
Federal Standard Requisitioning and Issue Procedures (FEDSTRIP)	System of processing government agency requisitions for supplies from the General Services Administration. The FEDSTRIP address is a six-character code identifying the agency to which goods and billings are sent. Items to be requisitioned are identified by a 13-digit National Stock Number (NSN).
Finance Data Control (FDC)	One of many items related to the Installation Master File's finance number and used for reporting.
Finance Number Control Master (FNCM)	Primary database system used to update the Installation Master File (IMF) and the E & V.
Financial Accounting Standards Board (FASB)	The Financial Accounting Standards Board of the AICPA has been granted authority by the Securities and Exchange Commission to address and resolve accounting issues in the United States.
Financial Statements	Ultimate purpose of the accounting system, which is the proper presentation of information through the financial statements. These reports present income and balance sheet information in various levels of detail and may also provide operating statistics.
Fiscal Year (FY)	The 12 consecutive months used to account for and report on business operations. The Postal Service uses two types of FYs: a government FY (GFY) that ends on September 30th, and a postal FY (PFY) that ends 364 days after the close of the preceding PFY.
Flexible Spending Account (FSA)	Provides a way for FERS and CSRS employees to have money withheld from their paychecks to use for health care or dependent care expenses that they would pay out of their own pocket each year. The advantage of FSAs is that employees pay for these expenses with pretax money.

Functional Operations Number (FON)	Assigned to each Postal Service employee by function to identify and control labor costs; a four-digit code that records the following: <ul style="list-style-type: none"> ■ Workhour data by hours worked ■ Leave taken ■ Salaries ■ Benefits paid by functional category
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G

Gain	Increase in net worth; for example: market value in excess of book value.
General Ledger (GL)	Book of final entry that lists all entries in chronological order by date received. The identity of each journal entry is maintained and controlled as a historical record. The GL contains summarized activity and summary account balances for all accounts in the chart of accounts. Ledger accounts are closed and balanced for each fiscal year; it is a collection of T-Accounts. See "T-Accounts" in this glossary.
Generally Accepted Accounting Principles (GAAP)	Standards, conventions, and rules used in recording and summarizing transactions, and in the preparation of financial statements. AICPA's Financial Accounting Standards Board has been granted authority by the Securities and Exchange Commission to address and resolve accounting issues in the United States.
Government Online Accounting System Link System (GOALS)	U.S. Treasury system used for interagency reporting and transfer of funds.

I

Income Statement	Standard financial statement that displays profitability of an organization by measuring the difference between its revenues and expenses for a given period of time.
Installation Master File (IMF)	Provides primary edit information for journal voucher processing and roll-up and balancing codes. The primary code on the IMF is the finance number.
Integrated Business Systems Service Center (IBSSC)	One of five large centers providing software application support and development to the Postal Service.
Integrated Database Management System (IDMS)	Database structured in a hierarchical (as opposed to relational) fashion.

Glossary

Interest Capitalization Subsystem (ICS)	Developed to comply with requirements of FASB Statement 34, Capitalization of Interest Costs. To comply with this statement, the Postal Service adds a portion of interest cost to the cost of qualifying construction-in-progress projects and to depreciate the interest cost over the remaining service life of the buildings or equipment. Each Accounting Period, the program file is updated. See “Financial Accounting Standards Board” in this glossary.
Internal Control	A system designed to ensure that: <ul style="list-style-type: none">■ All accounting transactions are recorded and presented in accordance with GAAP.■ Accounting information reported to management and other parties is reliable, accurate, and consistent.■ The organization’s assets are secure.■ Management and regulatory policy are followed.
International Accounting Branch (IAB)	Entity that performs all financial settlement activity related to mail flow to and from Foreign Postal Administrations. In addition IAB includes the International Claims Unit that adjudicates international claims.
International Web System (IWS)	Systems that allows for performing audits on and data retrieval from international accounts.

J

Job Control Language (JCL)	In mainframe computing, a programming language that allows programmers to specify batch processing instructions, which the computer carries out.
Journal	Chronological record of the economic events or transactions that occur during the course of business. Journals may be derived through the collection of payroll information from a time clock, revenue information from an electronic cash register, accounts payable information from customer invoices, or the recording of a business transaction on a paper journal voucher. See “Journal Voucher” in this glossary. In an automated accounting environment, journal entries are also collected through many electronic subsystems.
Journal Voucher (JV)	Document that authorizes a business transaction to be entered in the book of accounts.

Journal Voucher Summary by Account (JVSA)	<p>Part of the trial balance process quality assurance/verification.</p> <p>The JVSA report is just one of many computer-generated reports produced by the National Trial Balance and is available online through the ADM. It provides a summary of merged JV activity sorted by general ledger account number. A separate report is prepared for each Accounting Services branch.</p>
Journal Voucher Transfer (JVT)	<p>Enables field and Headquarters offices to process transfers of existing revenue and expense between finance numbers.</p>

L

Labor Distribution Code (LDC)	<p>All Postal Service financial transactions are recorded to a specific general ledger account. Other financial classifications, including the LDC are used in subsystems and for different categorization of revenue and expenses.</p> <p>An LDC is assigned to each Postal employee by function to identify and control labor costs. The LDC is a two-digit code that records the following:</p> <ul style="list-style-type: none"> ■ Workhour data by hours worked ■ Leave taken ■ Salaries ■ Benefits paid by functional category
Labor Utilization Report (LUR)	<p>Report derived from all National Workhour Reports based on payroll data displaying information by LDC.</p> <p>The following are shown for the current period and year-to-date:</p> <ul style="list-style-type: none"> ■ Hours worked. ■ Overtime. ■ Leave. ■ Hours paid. ■ Salary dollars. ■ Benefits. ■ Hourly rates.
Ledger	<p>Contains account history and balances; provides the basis for preparation of balance sheets and income statements.</p>
Liability	<p>Amount owed for items received, services rendered, assets acquired, or construction performed. Also for expenses, losses, costs incurred, and amounts received but not yet earned.</p>

Loss Any expenses or irrecoverable cost. Often referred to as a form of nonrecurring charge — an expenditure from which no present or future benefit may be expected.

M

Mail Equipment Center (MEC) Headquarters purchasing function that deals with purchasing and maintaining items such as locks, keys, and bags.

Mail Transport Equipment Center (MTEC) Contract operation under Transportation that (1) furnishes transportation equipment to facilities, and (2) maintains and repairs equipment.

Manager of Post Office Operations (MPOO) Responsible for Post Office operations within a designated geographic area.

Management Vehicle Accounting System (MVAS) A cost-accounting system that provides information on operating costs per vehicle, per mile, and per hour. It accounts for the operation, repair, and maintenance costs of postal-owned service vehicles. This system is divided into two subsystems:

- Motor Vehicle Assets.
- Motor Vehicle Inventories.

Material Distribution Center (MDC) Postal supply center that stocks retail supplies and equipment, forms and directives, spare parts, and expendable items.

Material Distribution Inventory Management System (MDIMS) System located in Topeka, KS that adjusts the physical inventory at year-end.

Money Order Branch (MOB) The control, reconciliation, and verification of all postal money order activity is maintained at the St. Louis AS MOB. This includes paper, global electronic, and military money orders.

Money Order Voucher Electronic Transmission (MOVET) One of many ways to report money order sale fees. All CAG A–G post offices submit their voucher data each business day to the MOB via MOVET.

N

National Information System Support Center (NISSC) Located in Raleigh, NC, NISSC provides backup processing facilities for disaster recovery purposes.

National Payroll Hours System (NPHS) One of many reports created by processing JV information through the ADM JV file.

National Trial Balance (NTB)	Also known as the “National Consolidated Trial Balance.” A report generated each month that provides a beginning balance, monthly activity, and ending balance for all general ledger accounts.
National Workhour Reporting System (NWRS)	Reporting system that consists of the National Workhour Report and Labor Utilization Report. NWRS extracts data from payroll JVs and provides totals by function line. SPLY and plan data are included.
Nature of Action (NOA)	Codes related to personnel actions, such as promotions, terminations, and new hires.
Net Income/Loss	Difference between revenue and expenditures at a given period of time.

O

Office of Inspector General (OIG)	Federal law enforcement and oversight agency authorized by law in 1996 to conduct independent financial audits, evaluations, and investigations of Postal Service programs and operations. Has oversight for all activities of the Postal Inspection Service. The head of OIG is the Inspector General (IG), who is independent of postal management. The IG is appointed by — and reports directly to — the U.S. Postal Service Board of Governors.
Official Mail Accounting System (OMAS)	Automated system that provides for data entry of official mail forms by designated postal facilities. The Postal Service bills federal agencies, based on data from this system, and post offices get credit for the revenue.
Online Payment and Collection (OPAC)	The U.S. Treasury controls cash accounting for all government agencies. The OPAC system was devised to transfer funds between agency accounts. Corporate Accounting is responsible for the overall control of OPAC receipts and disbursement activities within the Postal Service. Corporate Accounting reconciles the interagency cash transfers.

P

Pay Period (PP)	A period that comprises 2 service weeks, beginning on Saturday and ending 2 weeks later on Friday.
Personal Property Accounting System (PPAS)	Database that inventories all non-capital properties belonging to the Postal Service.

Glossary

Performance Cluster (PFC)	The IMF provides primary edit information for JV processing and roll-up and balancing codes. The primary code on the IMF is the finance number. The PFC is one of many codes related to the finance number and is used for various levels of organizational reporting.
Point of Sale System (POS)	The electronic system used at retail facilities to record sales and payment transactions.
Postal Accounts Section (PAS)	The Financial Branch PAS, located at Accounting Services, Eagan, serves as the primary control unit for postal accounting. It consolidates data from first class CAG (A-G) offices and all other class (H-L) offices.
Postal Inspection Service (IS)	Federal law enforcement agency within the Postal Service that investigates criminal acts against the mails and misuse of the postal system. Headed by the Chief Postal Inspector, the IS protects the mail, postal funds, and postal property.
Postal Quarter (PQ)	The 12 months of each fiscal year begin on October 1st; the FY is divided into 3-month quarters.
Postal Routed Network (PRN)	The internal postal network that enables electronic transmission of data within the Postal Service.
Post-Closing Trial Balance	List of account balances that exist after closing entries.
Posting Account	Account to which entries are made directly from the general journal. Posting accounts contain the lowest level of detail for the capturing and recording of transaction data. No other accounts are summarized to a posting account.
Post Office (PO)	The basic organizational unit of the Postal Service. Generally each PO has primary responsibility for collection, delivery, and retail operations in a specific geographic area.

Processing and Distribution Center (P&DC)	Central mail facility that processes and dispatches part or all of incoming mail and outgoing mail for a designated service area. It also provides instructions on the preparation of collection mail, dispatch schedules, and sorting plan requirements to mailers. A P&DC is usually a sectional center facility or a general mail facility, but it can also be a dedicated mail processing facility without a Post Office station or branch.
Pre-Closing Trial Balance	Listing of account balances that exist prior to posting of closing entries at the end of a fiscal period.
Project Financial System (PFS)	System designed to establish, maintain, and report all outstanding budget authorizations, commitments, payments, and close-outs on construction and improvement projects for the Postal Service. PFS covers land, buildings, and mail processing equipment and related noncapital expenses. Memo asset accounts are maintained to control the overall status of projects and to identify those projects — both uncommitted and committed — that are approved by the Capital Investment Committee.
Purchasing and Materials Service Center (PMSC)	Center reporting to Headquarters that manages purchasing and supply activities for an area through subordinate offices.

R

Railroad Management Information System (RMIS)	System through which rail payments are certified and trailer activity monitored. In this network, all rail activities are input, analyzed, stored, accumulated, and transmitted. It is used to determine mail routings, line haul rates, destination charges, and transit times.
Reconciliation	Process that identifies differences between an account balance in the general ledger and a subsidiary ledger or other detail record of the account, such as a bank statement or U.S. Treasury report. Differences are typically explained by identifying items that are in transit, errors, omissions, or transactions that have been recorded in one set of records but not the other.
Relational Database Management System (RDMS)	Database structured in a relational (as opposed to hierarchical) fashion. Oracle COTS packages are RDMS-based systems.

Reporting	Process of summarizing data from accounts into financial statements or other meaningful documents that can be used for analysis and decision making.
Reporting Operational Group (ROG)	The IMF provides primary edit information for JV processing and roll-up and balancing codes. The primary code on the IMF is the finance number. The ROG is one of many codes related to the finance number; it is used for various levels of organizational reporting.
Revenue	Something of value received in return for output or conversion of assets.

S

Same Period Last Year (SPLY)	The month compared with the same month of the previous year.
Settlement Management System (SMS)	System used by the IAB. The IAB SMS allows for data entry, data retrieval, report production and processing for international accounts settlement. It generates receivable and payable for: <ul style="list-style-type: none"> ■ Airmail. ■ Indemnity. ■ Air and surface terminal dues. ■ Express Mail. ■ Air and surface transit. ■ Parcel Post. ■ International reply coupons.
Stamp Service Center (SSC)	A postal unit that supplies postage and money order stock from a central location to multiple post offices within different districts and areas.
Stamp Distribution Office (SDO)	A postal unit other than the parent sectional center facility that is designated, for security reasons, to supply postage stamp stock to associate post offices.
Standard Field Accounting System (SAFR)	System that automates the accounting function at the field level in areas of accountability, money and cash management, accountable paper, trust, and suspense. This system operates at 85 district sites, the CAPS unit at Accounting Services, San Mateo, and the Philatelic Fulfillment Service Center. SAFR also provides data to and interfaces with other systems at the Accounting Services branches.

Subsidiary Ledger	Lists detailed business transactions and balances that, when summarized, make up the balance in the general ledger. These can be lists of employee pay and benefit information, computer lists of vendor invoices or other liabilities outstanding, master files listing assets and their values, or simple support lists maintained on a personal computer.
Summary Account	Account that will summarize one or more posting or summary accounts. No entries are made to these accounts during the transaction entry process. A summary account can represent any number of posting and summary accounts. Accounts that are summarized must be some subset of the summary account definition. There must be some hierarchical relationship for the process to have informational meaning.

T

T-Account	Used to analyze accounting transactions. So named because it resembles an uppercase letter "T." The account name displays across and on top of the horizontal line of the T. One side of the T's vertical line is used to record increases while the other side records decreases.
Time and Attendance Collection System (TACS)	Web-based automated payroll program that collects and processes time and attendance data and provides "real time" workhour data to help run day-to-day operations.
Tax Identification Number (TIN)	Used to identify a business for tax purposes with the IRS, similar to the way Social Security Numbers identify individuals. Sometimes called an Employer Identification Number (EIN) when the company has employees.
Thrift Savings Plan (TSP)	A retirement savings and investment plan for federal employees.
Treasury Offset Program System (TOPS)	System that offsets federal payments directed to delinquent debtors. These offsets are taken in whole or part, and the funds are transferred to the creditor agency holding the delinquent debt.

Trial Balance

Statement that shows the name and balance of all ledger accounts arranged by debit and credit. These accounts are also arranged by order of assets, liabilities and equity. The total of debit balances must equal the total of credit balances.

Trial balance is normally used to test the accuracy of the mechanical steps involved in processing the months activity through the accounting system.

Trial balance has no prescribed format, because it is an interim report to verify the balance of the accounts. It can be maintained either electronically or manually.

U

Universal Postal Union (UPU) International organization that sets the rules for international mail exchanges and other business transactions among the 189 member countries. The U.S. Postal Service is a member.

V

Vehicle Maintenance Facility (VMF) Repair shop and garage that maintains Postal Service vehicles and that provides support documents for vehicle cost and accounting reports.

W

Workers' Compensation Information System (WCIS) Database that contains Workers' Compensation cases filed by Postal Service employees — includes all open cases and cases that have been closed for less than 2 years.

Online query of WCIS is used by injury compensation personnel and postal inspectors assigned to investigate injury compensation claims for fraud and abuse.

The system is used by Headquarters, area, and district offices to generate management reports used in controlling and reducing compensation costs.

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