

Summary of Changes

Handbook AS-701, *Material Management*

Handbook AS-701, *Material Management*, has been updated with *Postal Bulletin* articles through January 9, 2014, as follows:

This chapter, subchapter, part, appendix, or section...	titled...	was...	in <i>Postal Bulletin</i> issue number...	with an issue date of...
Chapter 2, Freight Transportation Management – Shipping and Receiving				
221.3	Document Retention	revised to reflect the change in document retention requirements for bills of lading.	22380	1-9-14

Material Management

Handbook AS-701

January 2014
Transmittal Letter

A. Explanation. Handbook AS-701, *Material Management*, has been revised to update the information on policies and procedures related to Material Management. These policies and procedures have been revised in accordance with the Transformation Plan efforts to improve Supply Chain Management of Postal Service material assets, supplies, and inbound transportation.

B. Distribution.

- 1. Postal Users.** This handbook is available to Postal Service personnel from the Material Distribution Center (MDC).
- 2. Online.** Handbook AS-701 is available on the Postal Service Intranet on the PolicyNet Web site at <http://blue.usps.gov/cpim>, click *HBKs*.
- 3. Availability.** Handbook AS-701 will only be available online on the PolicyNet Web site.

C. Comments and Questions. Address comments and questions to:

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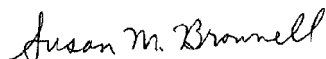
E. Supersession. This revision supersedes the June 2005 edition of Handbook AS-701. Please recycle all copies.

F. Handbook Structure. This handbook addresses six functions in material management retail operations. The functions are organized by chapter following the Introduction. Basic procedures are explained in each chapter. Exhibits are located at the end of each chapter. Most of the exhibits provide examples of how forms and records should be filled out and maintained. Following the chapters are the appendices, a glossary of terms, and an acronym list.

The outline of this handbook is as follows:

Chapter 1 — *Introduction*
Chapter 2 — *Freight Transportation Management — Shipping and Receiving*
Chapter 3 — *Storage Space Management*
Chapter 4 — *Stockroom Management*
Chapter 5 — *Asset Accountability*
Chapter 6 — *Asset Recovery: Redistribution, Recycling, and Disposal*
Appendix A — *Acronyms*
Glossary
Index

G. Effective Date. This Handbook is effective upon receipt.



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Vice President
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Handbook Summary

Chapter 1, Introduction

This chapter describes the purpose, structure, and organization of the handbook. It provides an overview of the handbook and a general discussion of the concepts, processes, and responsibilities involved in material management.

Chapter 2, Freight Transportation Management – Shipping and Receiving

This chapter describes shipping and receiving freight in a generic sense. The policies and procedures described are applicable to any activity having receiving and shipping functions (e.g., stockroom, equipment storeroom, warehouse, etc.). It defines key shipping terms, discusses modes of shipping and packaging requirements, and explains loading/unloading responsibilities and claims processing procedures. It also provides general procedures and requirements for using the Postal Service Web-based Freight Traffic Management Systems (FTMS) resident on eBuy to prepare Postal Service bills of lading (PSBL).

Chapter 3, Storage Space Management

Storage space management refers to principles and practices of managing the physical stock, supply, warehouse, and storeroom space. This chapter discusses effective planning for generic storage space layout and locator systems. It also discusses sensitive material, bulk storage, safety measures, and the requirement for control and reporting of warehouse and storage space. It explains the requirements for acquiring commercial warehouse, storage space, and services.

Chapter 4, Stockroom Management

Stockroom management pertains to stockrooms regardless of the commodity stocked and issued. This chapter discusses general procedures for both manual and automated systems such as the electronic Maintenance Activity and Reporting System (eMARS) and the Vehicle Maintenance Accounting System (VMAS). The principles contained in this chapter for receiving, storing, and issuing material are generic. This chapter also discusses the criteria of stocking decision, due-in and backorder management, how to manage items in inventory, inventory accuracy, and performance measurement. Requirements and procedures for cataloging a new item into the Postal Service system are also addressed.

Chapter 5, Asset Accountability

Asset accountability explains the procedures required of a material accountability officer. This chapter explains the material accountability of the installation head and the procedures for delegating material accountability

responsibilities to the material accountability officers and material accountability assistants. The chapter provides information concerning the Property & Equipment Accounting System (PEAS) used for tracking capital property and the filing systems to account for material. It discusses the responsibilities of material accountability officers, material accountability assistants, and installation heads; various transactions involved, depreciation charges, and working with the San Mateo Accounting Service Center. It describes sub-custody records and the requirements for physical inventory.

Chapter 6, Asset Recovery: Redistribution, Recycling, and Disposal

This chapter contains procedures used in identifying, reporting and redistribution of excess equipment using the Excess Items catalog (EIC) on eBay, and the disposing of inactive, obsolete, surplus or not repairable material. Postal Service environmental policy has been incorporated into this document to reflect the changes necessary with the material management recycling effort. Two methods of sale, informal and formal, are described. The informal sale method consists of sealed bid, negotiated sales, tag sales, and scrap sales. The formal method applies to procedures for announcing and conducting formal sales through sealed bids or auctions. The chapter describes procedures for transfer of surplus material to other federal agencies and foreign governments. Attachments are provided at the end of the chapter for retail tag sales and auctions.

Appendix

Appendix A – Acronyms, provides supplemental information.

Contents

1	Introduction.....	1
11	General.....	1
111	Purpose.....	1
112	Policy.....	1
113	Definitions.....	1
113.1	Material.....	1
113.2	Material Management.....	1
113.3	Customer.....	1
12	Responsibilities.....	2
121	Vice President, Supply Management.....	2
122	Manager, Supply Management Operations.....	2
123	Manager, Capital Equipment Material Management.....	3
123.1	General.....	3
123.2	CEMM Item Management Teams.....	3
124	Manager, Materials Production and Distribution.....	3
124.1	General.....	3
124.2	MP&D Operations.....	3
125	Manager, National Supply Management Programs.....	4
125.1	General.....	4
125.2	Manager, Cataloging and Technical Data Services.....	4
125.3	Manager, National Materials Customer Service.....	4
125.4	Manager, National Program Support Group.....	4
125.5	Manager, Material Service Centers.....	5
126	Manager, Supplies Material Management.....	5
126.1	General.....	5
126.2	SMM Item Management Teams.....	5
127	Districts.....	6
128	Facility and Activity Managers.....	6
129	Individual Personnel.....	7
13	Concepts.....	7
131	Supply Chain Management.....	7
132	Support Organization.....	7
133	Processes.....	7
133.1	Wholesale Material Management.....	7
133.11	Wholesale Supply Management Operations.....	7
133.12	Wholesale Inventory Item Management.....	7
133.13	Life-Cycle Management.....	8

133.2	Retail Material Management	8
133.21	Management.	8
133.22	Control	8
134	Stock Categories and Classes	8
134.1	Provisioned Items	8
134.2	Demand-Based Items	9
134.3	Nondemand-Based Items	9
135	Material Acquisition.	9
135.1	Policy	9
135.2	Relationship Between Acquisition and Supply	9
136	Supply Sources	9
137	FEDSTRIP Process	10
137.1	Logistics Programs	10
137.2	District Material Management Specialist.	10
137.3	Material Service Center	10
137.4	Codes Assignment and Maintenance	10
138	Special Acquisitions	11
138.1	Methods.	11
138.2	Process Analysis	11
139	Accountability and Control	11
1310	Performance/Contribution Measurement	11
2	Freight Transportation Management — Shipping and Receiving	13
21	Introduction.	13
211	Policy.	13
212	Applicability.	13
213	Purpose.	14
214	Responsibilities	14
215	Definitions	14
215.1	FOB Origin — Freight Billed to U.S. Postal Service	14
215.2	FOB Destination — Freight Prepaid by Supplier.	14
216	Documentation	15
216.1	Types of Transportation Documents	15
216.11	Postal Service Bill of Lading.	15
216.12	Pro Freight Bill (Delivery Receipt).	15
216.13	Shipment Invoice	16
217	Issuance Authority.	16
22	Documenting Transactions.	16
221	Information Requirements.	16
221.1	Postal Bill of Lading Register.	16
221.2	Shipping Requests	16
221.3	Document Retention	17
221.4	Canceled Shipments	17

Contents

221.5	FOB Documents	17
221.51	Redirecting FOB Origin Shipments	17
221.52	Redirecting FOB Destination Shipments	17
221.6	Tracing Shipments	17
221.7	Requesting PSBLs	17
221.8	Shipment Between Two Points in the Same Metropolitan Area	18
221.9	TSP Selection for Shipment	18
222	FTMS PSBL Documents	19
223	Correcting a PSBL	19
224	Vendor Compliance With PSBL Procedures	19
23	Shipping	19
231	Policy	19
232	Selection of FOB Origin or FOB Destination Terms	19
233	Shipping Requests	20
234	Modes of Shipment	20
235	Packaging	21
236	Scheduling and Documentation	21
236.1	Scheduling Outgoing Shipments	21
236.2	Staging Material	21
236.3	Shipping Documentation	21
236.31	Shipment Information and Labeling	21
236.32	Air Cargo Shipper's Security Endorsement	21
236.4	Demurrage, Detention, and Storage	22
236.41	Policy	22
236.42	Definition	22
236.43	Basic Factors for Free Time Determination	22
236.44	General Guidelines for Highway TSP Shipments	22
236.45	Computation of Highway TSP Free Time	22
236.46	Rail Shipments	22
236.47	Responsibilities of Consignors and Consignees	23
236.5	Responsibilities for TSP Loading	23
236.51	Highway, Intermodal, and Air Carrier	23
236.52	Railway TSP	23
236.6	Postal Service Obligations	24
236.61	Damage Prevention and Accessibility	24
236.62	Avoidance of Overloading	24
236.63	Tallying	24
236.64	Arranging for Special Equipment and Services	24
236.7	Less-Than-Truckload Motor Shipments	24
236.71	Loading Requirements	24
236.72	Freight Loaded Into Pup Trailers	24
236.73	Loading Freight Onto More Than One Pup Trailer	24
236.74	Purchase of Needed Services	25

236.75	Carload and Truckload Shipments	25
236.751	General	25
236.752	Seals	25
24	Receiving	25
241	Policy	25
242	Receiving Process	25
242.1	Sequence of Events	25
242.2	Receipt to Dock and Receipt to Stock	26
242.3	Responsibilities for TSP Unloading	26
242.31	Highway, Intermodal, and Air TSPs	26
242.32	Railway TSP	26
242.33	Inability to Deliver Due to Unsafe Condition of Shipment	26
243	Designated Receiving Points	27
243.1	General Responsibilities	27
243.2	Tallying	27
243.3	Arranging for Special Equipment and Services	27
244	Receipt Control and Stock Records	27
244.1	General Procedures	27
244.2	Signatures	28
244.21	Authority to Sign Receiving Documents	28
244.22	Signature on TSP's Delivery Documents	28
244.3	Notification to Designated Receiving Personnel	28
244.4	Receiving Logs	28
244.5	Basic Validation and Processing Procedures	28
244.6	Annotating TSP's Delivery Receipt	29
244.7	TSP Requests for Payment Upon Delivery	29
244.8	Special Procedures for Receiving FEDSTRIP Orders	30
244.81	FEDSTRIP Orders From the Material Distribution Center	30
244.811	Forms, Directives, and General Office Supplies	30
244.812	Repair Parts	30
244.813	Collection and Delivery Equipment	30
244.82	FEDSTRIP Orders from GSA/DLA	30
244.821	Partial Shipments	30
244.822	Time Frame for Reporting Discrepancies	31
244.9	Documentation	31
244.91	Documentation for Shipments Without Discrepancies	31
244.92	Documenting, Reporting, and Remedying Damaged or Discrepant Shipments	31
244.921	Receiving a Shipment With Apparent Damage	31
244.922	Description of Damage or Loss on Receiving Document	31
244.923	Photographs of Damaged Shipment	31
244.924	Retaining Packing Material	31
244.925	Request for TSP Inspection	31
244.93	Receiving and Reporting Concealed Damage	32
244.931	National Freight Claim Council Rules	32

244.932	Claim Validation	32
244.933	TSP Notification	32
244.934	TSP Inspection	32
244.94	Processing Receipt Documentation	32
25	Processing Over, Short, and Damage (OS&D) Claims	33
251	Processing Criteria	33
252	FOB Destination	33
253	FOB Origin	33
254	Recovery Amounts for OS&D Claims	34
255	Processing of OS&D Claims by Team Logistics	34
256	Disposing of Authorized Salvage and Replacement of Material	35
256.1	Disposal of Material	35
256.2	Replacement of Material	35
257	Errors	35
257.1	Items Ordered or Shipped in Error	35
257.2	Defective Items	35
258	Quality Assurance Procedures	35
3	Storage Space Management	55
31	Introduction	55
311	General	55
312	Purpose	55
313	Responsibilities	55
32	Planning and Layout	56
321	Objectives	56
321.1	Efficiency and Economy	56
321.2	Mechanization and Automation	56
322	Planning Elements	56
322.1	General Requirements	56
322.2	Size	57
322.3	Location	57
322.4	Storage Methods	57
323	Criteria for Planning Layout	58
323.1	Key Factors	58
323.2	Commodity Factors	58
323.21	Nature of the Material	58
323.22	Size, Weight, and Shape	59
323.23	Turnover	59
323.24	Quantity	59
323.3	Capacity Factors	59
323.31	Floor Loads	59
323.32	Doors	59
323.33	Loading Facilities	59

323.34	Upright Columns	59
323.35	Stack-Clearance Safety Regulations	60
323.4	Activity Factors	60
33	Designation of Operating Spaces	60
34	Storage Plans	60
35	Storage Locator Systems	61
351	Locator System	61
352	Storage Location Codes	62
352.1	Design of Locator System	62
352.11	Nonautomated Stockrooms	62
352.2	Automated Stockrooms	62
353	Display of Location Codes	62
354	Multiple Storage Locations	62
355	Assigning Material to a Storage Location	63
355.1	Review and Update	63
355.2	Item/Location Cross-Reference Lists	63
36	Preservation, Security, and Safety	63
361	Responsibility	63
362	Care and Preservation of Commonly Stored Items Subject to Deterioration	63
363	Periodic Inspections	64
364	Security Measures	64
365	Sensitive Material	65
366	Opened Bulk Containers	65
367	Access	65
368	Safety Measures	65
368.1	Removal of Operational Hazards	65
368.2	Storage of Hazardous Commodities	65
368.3	Fire Prevention	65
37	Control and Reporting of Warehouse and Storage Space	66
371	Importance of Space Control and Reporting	66
372	Monitoring the Use of Space	66
372.1	Responsibilities	66
372.2	Review Cycles	66
372.3	Reporting Space Usage	66
38	Acquiring Commercial Warehouse, Storage Space, and Services	66
381	General	66
382	Policy	66
382.1	Requirements Approval	66
382.2	Space and Service Acquisition	67
382.3	Project Review	67
382.4	Effective Use of Space	67
383	Consultation	67

384	Procedure	67
384.1	Supply Management Operations	67
384.2	Requester	67
384.21	Request for Assistance	67
384.22	Identifying Detailed Elements	68
385	Policy on Trailers for Storage of Materials	68
385.1	Responsibility	68
385.2	Acceptable Use of Trailers for Storage	69
385.3	Requirements of Storage Facilities as Pertinent to Trailers	69
385.4	Responsibility for Trailer Deployment	69
4	Stockroom Management	75
41	Introduction	75
411	General	75
412	Applicability	75
413	References	75
414	Accountability	75
42	Managing Inventory	76
421	General	76
422	Stocking Decisions	76
422.1	Considerations	76
422.2	Demand-Based Items	77
422.21	Using Demand History	77
422.22	Finding Requisition Frequency	77
422.3	Nondemand-Based Items	77
422.31	Description	77
422.32	Insurance Items	77
422.33	Critical Items	77
422.34	Catalog Identification	78
422.35	Use	78
423	Managing Items in Inventory	78
423.1	Stock Replenishment	78
423.11	Reorder Point Process	78
423.12	Calculations	78
423.13	Importance of Careful Review	79
423.14	Replenishment Logic Steps	79
423.15	Range and Depth (Optimization)	80
423.2	Due-In Management	80
423.21	Definition	80
423.22	Establishing Due-Ins	80
423.23	Accounting for Due-Ins	80
423.24	Due-In Logic Steps	80

423.3	Oversupply	81
423.31	Definitions	81
423.311	Oversupply	81
423.312	Oversupply Material	81
423.313	Retention Material	81
423.314	Excess Material	81
423.32	Requisitioning Objective	81
423.33	Requirements Stack	81
423.34	Reports	81
423.4	Backorder Management	81
423.41	Definition	81
423.42	Requisitions	82
423.43	Processing	82
423.44	Validating	82
424	Positioning Stock	83
424.1	Remote Location	83
424.2	Satellite Location	83
424.3	Bench Stock	83
43	Receiving, Maintaining, and Issuing Stock	83
431	General	83
432	Storage Processing	84
432.1	Objectives	84
432.2	Validation	84
432.3	Procedures	84
432.31	Automated Stockrooms	84
432.311	General	84
432.312	eMARS Receipts	84
432.313	Nonstocked Material	84
432.32	Nonautomated Stockrooms	84
433	Stock Records	84
433.1	Purpose	84
433.2	Automated Activities	85
433.3	Nonautomated Activities	85
433.4	Types of Automated Stock Records	85
434	Maintaining Stock in Storage	85
434.1	General	85
434.2	Shelf-Life Items	85
434.3	Stock Rotation	85
434.4	Security	85
434.5	Storage Locator System	86
434.51	Procedure	86
434.52	Storage Location Codes	86
434.521	Nonautomated Systems	86
434.522	Automated Systems	86

Contents

435	Issuing Stock.	87
435.1	Basic Principles.	87
435.2	Issue Procedures.	87
435.21	Maintenance Offices.	87
435.22	Other Offices	87
435.23	Tool Control	87
44	Repairable Management.	87
441	Basic Principles.	87
442	Vending Repairables	88
443	Return Transportation and Handling.	88
443.1	Packaging	88
443.2	Handling Procedures.	88
444	Credit Policy	88
45	Cataloging.	88
451	Stock Analysis.	88
452	Catalog Changes.	90
453	Stock Number Systems	91
453.1	Explanation	91
453.2	Cross Referencing	91
46	Inventory.	91
461	Inventory Management and Support	91
461.1	General	91
461.2	Maintenance Inventory Support Process	91
461.3	MISP Continuous Improvement Cycle	92
462	Physical Inventory Procedures	92
462.1	General	92
462.2	ABC Classification and Cycle Counting	92
462.21	ABC Classification	92
462.22	Cycle Counting.	92
462.23	ABC Supplement	93
462.24	Manual Stockrooms	93
462.25	Counting.	93
462.3	Reconciling and Researching Discrepancies	94
462.4	Adjustment.	94
47	Performance Indicators	95
471	Measuring and Maintaining Inventory and Location Accuracy.	95
471.1	Purpose	95
471.2	Policy.	95
471.3	Procedures	95
471.31	Inventory Accuracy.	95
471.32	Location Accuracy	95
471.33	Methods of Measurement	95
471.331	Discrepancies.	95

471.332	Cycle Counting	96
471.333	Cycle Count Analysis and Recommendations	96
471.334	Statistical Sampling	96
472	Corrective Action.	97
472.1	Procedures	97
472.11	General	97
472.12	Control Group Counts	98
472.2	Location/Inventory Discrepancy Report	98
472.21	eMARS Sites	98
472.22	Other Automated Sites.	98
472.23	Nonautomated Sites.	98
5	Asset Accountability	119
51	Definitions	119
511	Responsibility, Accountability, and Control	119
512	Capital Property	119
513	Expendable Property.	119
514	Sensitive Property	120
52	Postal Service Automated System	120
521	General	120
522	Property and Equipment Accounting System.	120
522.1	Description.	120
522.2	Access.	120
53	Responsibilities.	120
531	Installation Heads	120
532	Material Accountability Officers	120
533	Functional Managers.	122
534	Supervisory Personnel	122
535	Material Accountability Assistants	122
536	Manager, Administrative Services/Finance.	122
537	District Material Management Specialists.	122
538	Material Service Centers.	122
54	Accountability and Control Requirements	123
541	Assignment of the MAO	123
541.1	Considerations.	123
541.2	Procedures	123
541.21	Delegation	123
541.22	Assigning a Backup MAO.	123
541.23	MAO Training	123
541.24	First Tasks of MAO.	123
541.25	Subcustody Records	123
541.26	Verification and Physical Inventory.	124
541.27	Sensitive and Capital Property.	124

Contents

541.28	Internal Reviews	124
541.29	Reports	124
541.3	Designation of Material Accountability Assistants.	124
541.31	Considerations	124
541.32	Procedures	124
541.33	MAA Training	124
541.34	Internal Reviews	125
55	Filing System	125
551	General	125
552	Suspense File (Capital and Expendable).	125
552.1	Contents	125
552.2	Disposition of Contents	125
553	Expendable Property Transaction File (Completed File).	125
554	Pending Verification File (Capital File).	126
555	Verified Capital Property File.	126
556	Loan File	126
557	Form 961-A, Post Office Property Record, File	126
56	Transactions	126
561	Receipt Processing	126
561.1	General	126
561.2	Delivery Documentation	127
561.3	Receiving	127
562	Transfers	127
562.1	Authorization	127
562.2	Internal Transfers	127
562.3	External Transfers	127
563	Equipment Loans	128
564	Inactive Equipment	128
565	Disposal.	129
565.1	Normal Process	129
565.2	Disposals Requiring Special Approval.	129
566	Depreciation	129
566.1	General	129
566.2	Service Life	129
566.3	Expense Calculation	129
566.4	Changes.	129
566.5	Tracking and Managing Depreciation	129
566.6	MAO Involvement	130
57	San Mateo ASC Documents.	130
571	General	130
572	PCFM/CPL Updates to PEAS.	130
573	Capitalized Modifications	130

574	ID Labels	131
574.1	General	131
574.2	Issuance for New Capital Property	131
574.3	Issuance for Other-Than-New Capital Property	131
574.4	Additions from Reclassifications and Physical Inventories	131
575	PCFM Procedures	131
575.1	General	131
575.2	Verification of Entries	132
576	CPL Procedures	132
576.1	General	132
576.2	Verification Procedures	132
58	Subcustody Records	133
581	Establishment	133
582	Update and Verification	133
59	Capital Property Physical Inventory	133
591	Frequency	133
592	Procedures	133
6	Asset Recovery: Redistribution, Recycling, and Disposal	153
61	Introduction	153
611	Policy	153
611.1	Asset Recovery	153
611.2	Redistribution, Recycling, and Disposal	153
611.3	Environment	153
612	Applicability	154
613	Purpose	154
614	Responsibilities	154
615	Definitions	155
616	Postal Service Forms Used	155
62	Material Identification and Reporting	156
621	General	156
622	Responsibilities	156
622.1	General	156
622.2	Operational Personnel	156
622.3	Installation Heads and MAOs	156
622.4	Maintenance Management	157
622.5	District Material Management Specialists	157
622.6	Material Service Center Material Management	158
622.7	National Supply Management Programs	158
622.8	Supply Management Operations	158
623	Identification of Inactive Material	158
623.1	Material Designation	158
623.11	Oversupply Material	158

Contents

623.12	Retention Material	158
623.13	Excess Material	159
623.14	Surplus Material	159
623.15	Obsolete Material	159
623.2	Review Procedures	159
624	Reporting of Inactive Inventory	159
624.1	Policy	159
624.2	Reporting Methods	159
624.21	General	159
624.22	Tag Reporting	159
624.221	USPS Forms	159
624.222	Status Changes	160
624.23	Memorandum Reporting	160
624.231	District/Performance Clusters	160
624.232	Headquarters Field Units	161
624.24	Special Equipment Reporting	161
624.241	Major Mechanization and Automated Equipment	161
624.242	Retail Vending Equipment	161
624.243	Inspection Service Items	161
624.244	Mail Transport Equipment (MTE)	161
624.245	Information Technology Equipment	162
625	Report Review	162
625.1	eBuy Reports/EIC Maintenance	162
625.2	Responsibility	162
625.21	DMMS	162
625.22	MSC Material Management Specialist	162
63	Redistribution	162
631	General	162
632	Benefits	162
633	Return/Transfer Processes	163
633.1	Options	163
633.2	Return to MDC	163
633.21	Repair Parts, Supplies, and Equipment	163
633.211	Requesting Office	163
633.22	Equipment	163
633.221	Requesting Office	163
633.23	Return Procedures for Discrepant Order	164
633.3	Maintenance Office Review of eMARS Reports	164
633.4	Transfer Between Postal Service Activities	164
633.41	Repair Parts	164
633.411	Requesting Office	164
633.412	Procedure	164
633.42	Supplies	164

633.43	Equipment	164
633.431	Requesting Office	164
633.432	Process	165
633.433	Shipping Office	165
633.434	Receiving Office	165
633.44	Special Equipment Redistribution	166
633.441	Mail Transport Equipment (MTE)	166
633.442	Major Mechanization and Automated Equipment	166
633.443	Inspection Service Items	166
633.444	Vending Equipment	166
633.445	Motor Vehicles	166
633.446	Information Technology Equipment	166
633.5	Return Procedures	166
633.51	General	166
633.52	Exceptions	167
64	Recycling and Disposal	168
641	Responsibilities	168
642	Approval and Disposition	168
643	Supervised Destruction Committee	168
644	Documentation	169
645	Material Requiring Special Approval	169
645.1	Antiques and Collectibles	169
645.11	General	169
645.12	Exceptions	169
645.13	Definitions	169
645.14	Care of Historic Items	170
645.141	Responsibility	170
645.142	Preserving Antiques, Collectibles, and Objects of Historic Value	170
645.15	Transfer or Disposal	171
645.151	Approval for Disposal	171
645.152	Loans	171
645.153	Sale or Auction	171
645.154	Receipts from Sale	171
645.16	Records	171
645.161	Records Created Before Postal Reorganization on July 1, 1971	171
645.162	Records Created After Postal Reorganization on July 1, 1971	171
645.163	Assistance	172
645.2	Inspection Service-Controlled Items	172
645.3	Mail Transport Equipment	172
645.4	Motor Vehicles	172
646	Proprietary Items Requiring Special Processing	172
646.1	Accountable Paper	172
646.2	Postage Meter Printing Heads	172
646.21	Authorization	172
646.22	Destruction	172

Contents

646.3	Imprinters	173
646.31	Postage Validation Imprinter	173
646.32	Money Order Imprinters	173
646.4	Dead Letter Mail	173
646.5	Post Office Boxes	173
646.51	Serviceable Items	173
646.52	Unserviceable/Obsolete Items	173
646.53	Donations	174
646.54	Sales	174
646.6	Retail Vending Equipment	174
646.61	Reporting	174
646.62	Disposition	174
646.7	Permanently Marked Material	174
646.8	Collection Boxes	175
646.81	Policy	175
646.82	Loans	175
646.9	Mail Processing Equipment	175
646.10	Information Technology Equipment	175
646.11	Priority	176
646.12	Methods	176
646.121	Trade-in to Vendor	176
646.122	Sale by Postal Service Installation	176
646.1221	General	176
646.1222	Restrictions on Sales to Postal Employees	176
646.1223	Informal Sales	177
646.1224	Formal Sales	178
646.1225	Procedures for Announcing and Conducting Sales	178
646.1226	Payment Procedure	179
646.1227	Reporting Sale and Recording Revenue	180
646.123	Cannibalization for Parts	180
646.124	Sale for Recycling	181
646.1241	Disposal	181
646.1242	Online Assistance	181
646.125	Transfers to Federal Agencies (Including Military)	181
646.1251	Federal Agencies	181
646.1252	Military Organizations (APOs/FPOs)	181
646.126	Donation to a Federal or State Agency, an Academic Institution, a Nonprofit Organization, or a Public Body	181
646.1261	Policy	181
646.1262	Authorization	182
646.1263	Procedure	182
646.1264	Donation to Foreign Government	182
646.127	Destruction and Landfill Disposal	182
646.1271	Policy	182
646.1272	Procedure	182
646.1273	Costs	183

646.128	Adjustments: Loss, Theft, and Accidental Damage or Destruction	183
646.1281	Loss and Theft	183
646.1282	Accidental Damage or Destruction.	183
Appendix A — Acronyms		209
Appendix B — Glossary.		213
Index		239

Exhibits

Exhibit 216.1	
PSBL Form	36
Exhibit 221.1	
Sample BL Register.....	37
Exhibit 221.8	
BL Request Form	38
Exhibit 223	
Bill of Lading Correction Notice	39
Exhibit 224	
Sample Instruction Letter to Vendor for BL Shipments	40
Exhibit 234	
Shipping Request	41
Exhibit 235e	
PS Form 4805, Work Record Sheet	42
Exhibit 237.32	
Shipper's Security Endorsement.....	44
Exhibit 243.1	
Stockroom Pending Receipt File.....	45
Exhibit 244.4	
Receiving Log	46
Exhibit 244.821	
GSA Form 1348-1A, Issue Release/Receipt Document	47
Exhibit 244.822a	
GSA Standard Form 364, Report of Discrepancy (wrong item received)	48
Exhibit 244.822b	
GSA Standard Form 364, Report of Discrepancy (shortage)	49
Exhibit 244.822c	
GSA Standard Form 364, Report of Discrepancy (supply documents missing).....	50
Exhibit 244.822d	
GSA Standard Form 364, Report of Discrepancy (expired shelf life)	51
Exhibit 244.822e	
GSA Standard Form 364, Report of Discrepancy (incorrect consignee)	52
Exhibit 244.94	
PS Form 1586, Supply Record	53
Exhibit 255	
PS Form 7343, Claim for Loss and Damage in Transit	54
Exhibit 351a	
PS Form 1586, Supply Record	70

Exhibit 351b	
Stockroom/Warehouse Layout Designs	71
Exhibit 351c	
Stockroom/Warehouse Activity Signage.	73
Exhibit 422.22a	
eMars Transaction Summary Report	99
Exhibit 422.22b	
eMars Non-Stocked Issues Report.	100
Exhibit 423.14a	
eMARS Reorder Report for Manually Procured Items	101
Exhibit 423.14b	
eMARS Reorder Report for Locally Procured Repairable Items	102
Exhibit 423.23	
Example of Invalid Due-in	103
Exhibit 423.24a	
eMARS Parts Due-in Report	104
Exhibit 423.24b	
eMARS Pending Order Report	105
Exhibit 423.33	
Requirements Stack	106
Exhibit 423.34	
eMARS Low/No Issues Report	107
Exhibit 423.44a	
eMARS Open Orders Report.	108
Exhibit 423.44b	
eMARS Open Local Orders Report.	109
Exhibit 453.1	
Stock Number System Codes Explanation.	110
Exhibit 462.21	
eMARS ABC Stratification Report.	111
Exhibit 471.333 (Part I)	
eMARS Stock Level and Location Accuracy Report.	112
Exhibit 471.333 (Part II)	
eMARS Stock Level and Location Accuracy Report.	113
Exhibit 471.334a	
Statistical Sample Report	114
Exhibit 471.334b	
Inventory Management MISP Summary Report	115
Exhibit 472.21a	
Location Inventory Discrepancy Report	116
Exhibit 472.21b	
Location Inventory Discrepancy Report	117
Exhibit 541.21	
Sample Letter of Designation for Material Accountability Officer.	135

Exhibits

Exhibit 541.27	
PS Form 1590, Supplies and Equipment Receipt.	136
Exhibit 541.29	
Sample Report from Material Accountability Officer.	137
Exhibit 541.32	
Sample Letter of Designation for MAA	138
Exhibit 552.1b	
Screen Prints of Transfers/Reassignments Information Generated in PEAS	139
Exhibit 552.1c	
PS Form 969, Material Recycling and Disposal	140
Exhibit 552.1d	
PS Form 7381, Requisition for Supplies, Services, or Equipment	142
Exhibit 552.1e	
eBuy Requisition	144
Exhibit 564	
PS Form 7364, Serviceable Property Tag (Excess).	145
Exhibit 571	
PS Form 961-A, Post Office Property Record	146
Exhibit 571.1a	
Property Changes for Month (PFCM) Report	147
Exhibit 575.1a	
Accounting Period Change List.	148
Exhibit 575.2	
Logic Chart for Verification of Accounting Period Change Lists.	149
Exhibit 576.2	
PS Form 2880, Physical Inventory Certification/Adjustments.	151
Exhibit 624.221a	
PS Form 7364, Serviceable Property Tag (Excess).	183
Exhibit 624.221b	
PS Form 4707, Out of Order (tag)	184
Exhibit 624.221c	
Form 965, Salvage or Junk Tag	185
Exhibit 624.221d	
PS Form 969, Material Recycling and Disposal	186
Exhibit 624.243	
Special Approval for Inspection Service-Controlled Items	188
Exhibit 633.211	
PS Form 8180, Request for Return Authorization.	189
Exhibit 633.213	
PS Form 7433, Maintenance Repairable Tag	190
Exhibit 633.512	
PS Form 4783, Maintenance Control Supply Room Inventory Record.	191
Exhibit 633.52	
PS Form 1586, Supply Record (card)	192

Exhibit 633.532c(1)	
PS Form 7340, Shipping Instruction for Excess Property	193
Exhibit 633.545	
PS Form 7340-A, Shipping Instructions for Excess Property — Vehicle	194
Exhibit 633.63	
PS Form 7370, Request for Funds Transfer	195
Exhibit 646.10	
Release from Liability and Denial of Warranty for Sold or Donated Computer Equipment	196
Exhibit 647.225b(2)	
GSA Optional Form 15, Sale Government Property	197
Exhibit 647.225c(1)	
PS Form 7348, Sale of USPS Personal Property — Bid and Award.	198
Exhibit 647.225c(2)	
PS Form 7348-A, Sale of USPS Personal Property — General Sale Terms and Conditions	200
Exhibit 647.225c(3)	
PS Form 7348-B, Sale of USPS Personal Property — Item Bid Page	203
Exhibit 647.226d	
GSA Optional Form 16, Sales Slip — Sale of Government Personal Property.	204
Exhibit 647.251a	
SF 120, Report of Excess Personal Property	205
Exhibit 647.251b	
SF 120-A, Report of Excess Personal Property (Continuation Sheet)	206
Exhibit 647.251c	
SF 122, Transfer Order — Excess Personal Property.	207
Exhibit 647.251d	
SF 123, Transfer Order — Surplus Personal Property	208

Tables

Table 221.9	
Transportation Management Support for USPS	18
Table 236.44	
Weight/Time Schedule	22
Table 322.4	
Basic Types of Storage Aids	57
Table 422.21	
Using Requisition Frequency to Establish Demand History	77
Table 423.12	
Replenishment Quantity in eMARS System	79
Table 451	
Stock Analysis Matrix	89
Table 471.334	
Statistical Sample Frequency	97
Table 624.24	
Special Equipment Reporting	161
Table 633.51	
Summary of Return Procedures	167
Table 642	
Approval and Disposition Matrix	168

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1 Introduction

11 General

111 **Purpose**

This handbook discusses the basic concept of material management and contains policies applicable to retail stockroom operations, storage space management, freight traffic management, asset accountability, asset recovery, redistribution, recycling, and disposal.

112 **Policy**

Professional material management is the cornerstone of effective and efficient logistics processes. Regardless of the unique organizational requirement, every effective material management operation is founded on certain basic concepts. These common concepts provide a basis for the understanding, use, and improvement of material management practices specific to a given organization.

113 **Definitions**

113.1 **Material**

Material is any physical item purchased by an organization. It consists of supplies, equipment, repair parts, forms, directives, and all other items that an organization requires to carry out its mission.

113.2 **Material Management**

Material management is the process of directing and controlling resources or procedures to accomplish the organizational objectives of providing quality material responsively and cost-effectively through logistics processes such as requirements development, storage, distribution, acquisition, disposal, transportation, accountability, and inventory management and control.

113.3 **Customer**

A customer is any individual or organization that requests material from the material management system.

12 Responsibilities

121 **Vice President, Supply Management**

The vice president of Supply Management is responsible under Title 39, Code of Federal Regulations, for establishing and maintaining national material management policies, programs, and procedures issued in the *Administrative Support Manual* (ASM) and this handbook as well as other Supply Management directives. This responsibility extends to procedures for purchasing and material management in the smallest facility that purchases and controls Postal Service™ material.

122 **Manager, Supply Management Operations**

The manager of Supply Management Operations develops policies and procedures for sourcing, controlling, and managing Postal Service supplies, repair parts, and equipment inventories (other than mail and mail transport equipment) consistent with Title 39, Code of Federal Regulations, the ASM, and this handbook. This functional responsibility includes developing those policies and procedures for material management, accountability, and control at all Postal Service facilities. Additional responsibilities include:

- a. Developing material management training programs.
- b. Establishing material requirements programs and standards.
- c. Managing material management databases.
- d. Establishing performance measurement standards for inventory management at the national level and contribution measurements for retail stocking activities.
- e. Designing and managing special programs/studies pertaining to material management.
- f. Providing management oversight and direction to the Postal Service Supply Management Operations (SMO) organization, which include:
 - (1) Capital Equipment Material Management (CEMM).
 - (2) Cataloging and Technical Data Services (CTDS).
 - (3) Critical Parts Center (CPC).
 - (4) Facilities Portfolio.
 - (5) Label Print Center (LPC).
 - (6) Material Distribution Center (MDC).
 - (7) Mail Equipment Portfolio.
 - (8) Mail Equipment Shop (MES).
 - (9) Materials Production and Distribution (MP&D).
 - (10) Material Service Centers (MSC).
 - (11) National Materials Customer Service.
 - (12) National Program Support.
 - (13) National Supply Management Programs.
 - (14) Services Portfolio.

- (15) Supplies Material Management.
- (16) Supplies Portfolio.
- (17) Transportation Portfolio.
- (18) Warehousing and Distribution.

123 **Manager, Capital Equipment Material Management**

123.1 **General**

Capital Equipment Material Management (CEMM) is organized into Item Management Teams that share the same name as the purchasing Category Management Centers (CMCs) they support. While supporting the CMCs, their responsibility is to perform strategic planning and demand management for new systems, provide input to SOWs and DARs, establish requirements and provisioning, direct and control all phases of material support, support operational systems and sites, and support end of life-cycle issues such as disposals. Additionally, the Material Management Technical Support group is under CEMM.

123.2 **CEMM Item Management Teams**

The CEMM Item Teams are as follows:

- a. Automation Equipment, Services and R&D.
- b. Material Handling Equipment, Services and R&D.
- c. Automation Spare Parts.
- d. Mail Transportation Equipment.
- e. Facility Equipment and Signage.
- f. Vehicle Parts and Maintenance Services.
- g. Fuel Asset Management.

124 **Manager, Materials Production and Distribution**

124.1 **General**

The manager of Materials Production and Distribution (MP&D) must ensure order fulfillment; provide and operate warehousing and distribution facilities and services; serve as Contracting Officer Representative (COR) for contract storage, packaging and service contracts; and provide shipping alternatives.

124.2 **MP&D Operations**

In addition the MP&D has five operations supporting specialized requirements for the entire Postal Service. The operations and their respective duties are as follows:

- a. Critical Parts Center:
 - (1) Provides expedited delivery of critical parts.
 - (2) Processes repairable parts.
 - (3) Interacts with contract repair facilities.
 - (4) Provides transportation shipment alternatives.

- b. Label Printing Center (LPC):
 - (1) Produces labels and other printed matter.
 - (2) Provides manufacturing expertise on labels and printed matter.
- c. Material Distribution Center (MDC):
 - (1) Performs receiving.
 - (2) Coordinates repackaging.
 - (3) Provides support for special projects.
 - (4) Processes warehouse requests.
 - (5) Conducts disposals.
 - (6) Reviews SOWs for warehouse and distribution requirements.
- d. Mail Equipment Shop (MES):
 - (1) Manufacturers Postal Service keys and locks.
 - (2) Provides expertise on keys and locks.
- e. Warehousing and Distribution:
 - (1) Provides expertise on warehousing and distribution activities.
 - (2) Maintains a national database of USPS® warehouse space.

125 **Manager, National Supply Management Programs**

125.1 **General**

The manager of National Supply Management Programs (NSMP) is responsible for major supply management programs such as the IMPAC credit card, materials customer service, and investment recovery. The four major NSMP groups are:

- a. National Materials Customer Service (NMCS).
- b. Investment Recovery Team.
- c. Material Service Centers (MSC).
- d. IMPAC Team.

125.2 **Manager, Cataloging and Technical Data Services**

The manager of the Cataloging and Technical Data Services (CTDS) group is responsible for item entry and control, technical data management, and acting as liaison with engineering on technical issues.

125.3 **Manager, National Materials Customer Service**

The manager of the National Materials Customer Service (NMCS) group handles customer inquiries and provides support on any issue regarding Supply Management Operations and programs.

125.4 **Manager, National Program Support Group**

The manager of the National Program Support Group is responsible for the IMPAC credit card program, providing SOW and DAR reviews, conducting new program evaluations, and overseeing inventory positioning and investment recovery.

125.5 Manager, Material Service Centers

The manager of the Material Service Centers (MSCs) oversees the four MSCs to promote the consistent application of supply management policies and procedures at all field sites. The four MSCs are aligned to support the following areas:

- a. Chicago MSC — Great Lakes and Southwest Areas.
- b. Memphis MSC — Capital Metro, Eastern, and Southeast Areas.
- c. San Francisco MSC — Pacific and Western Areas.
- d. Windsor MSC — New York Metro and Northeast Areas.

Each MSC is staffed with a purchasing and supply management specialist team manager and three material management specialists. The MSCs provide material management technical guidance and support to all Postal Service activities within their service areas that purchase and stock material. Specific responsibilities include:

- a. Acting as liaison for Supply Management Operations and the field.
- b. Maintaining and monitoring the USPS Excess Items Catalog (EIC) on eBuy.
- c. Monitoring and supporting implementation of inventory management and material distribution policies and procedures.
- d. Exercising management oversight for inventories under their purview.
- e. Providing technical guidance and employee development training in supply management.
- f. Performing customer assistance visits.
- g. Managing data gathering, reporting, and analysis for contribution measurement.
- h. Scheduling and consolidating forecasting requirements.
- i. Providing property accountability and freight transportation assistance to the field.

126 Manager, Supplies Material Management**126.1 General**

The Supplies Material Management group is organized into Item Management Teams that share the same name as the purchasing Category Management Centers (CMCs) they support. While supporting the CMCs, their responsibility is to perform strategic planning and demand management for new systems; provide input to SOWs and DARs; establish requirements and provisioning; direct and control all phases of material support; support operational systems and sites; and support end of life-cycle issues such as disposals.

126.2 SMM Item Management Teams

The SMM Item Management Teams consist of the following:

- a. Maintenance Repair and Operating (MRO).
- b. Retail Products and Services.

- c. Commercial Printing.
- d. Stamp Printing.
- e. Packaging and Containers.
- f. Computer Hardware and Software.
- g. Delivery Services Equipment.
- h. Industrial Equipment.
- i. Office Supplies and Equipment.
- j. Vehicle Acquisition and Leasing.
- k. Freight (non-mail) Transportation.

127 **Districts**

Districts are functionally responsible for the retail material management operations that purchase and stock Postal Service material. Through the assigned district material management specialist, they must:

- a. Maintain the USPS Excess Items Catalog (EIC) on eBuy.
- b. Conduct periodic audits of maintenance stockrooms and report results to local and area management.
- c. Assist local maintenance management in optimizing inventory levels by utilizing the inventory reports in eMars.
- d. Contribute to the financial integrity of the USPS Annual Report by overseeing the transfers of capital property between facilities and maintaining the audit trail for transfers and disposals.
- e. Authorize, track, and report the reallocation and cost avoidance of material assets (equipment).
- f. Provide transportation support for shipment of equipment items to large or heavy to move through the mail.
- g. Develop strategy for and implement material management policies and procedures at Postal Service facilities within their respective geographic areas.
- h. Monitor the operations and material management performance of subordinate facilities.
- i. Provide material management assistance to subordinate facilities.
- j. Exercise management oversight for all inventories under their jurisdictions.
- k. Maintain established inventory management practices.

128 **Facility and Activity Managers**

Facility and activity managers have material accountability for all assets within their facility. They are designated as material accountability officers responsible for the security and proper use of Postal Service property under their jurisdiction. This accountability may be delegated in writing to other Postal Service employees, but the responsibility remains with the manager. The appointed individual is designated as a material accountability officer.

129 Individual Personnel

All Postal Service employees are responsible for safeguarding all Postal Service material in their custody. The Postal Service system depends on the responsible actions of each individual to care for and safeguard material under his or her control.

13 Concepts

131 Supply Chain Management

The focus of supply chain management (SCM) is on decreasing the “total cost of ownership” (TCO) of goods and services via bottom line productivity improvements coupled with lasting, transformational enhancements in purchasing capabilities. SCM is designed to improve stakeholders’ value and customer satisfaction through integrating the total chain and improving each link of the integrated process from identification of the need through value received and disposal. SCM activities can be divided into three major categories: materials, information, and finance. These categories represent the largest and most significant savings opportunities.

132 Support Organization

The Postal Service uses a three-level material management system to provide life-cycle support to Postal Service equipment and operations:

- a. *Wholesale*. This system includes inventory management, distribution, and transportation of inventories held to support the entire Postal Service customer community.
- b. *Retail*. This system includes inventory management, distribution, and transportation of inventories held to support user’s operations and/or to resupply specific activities in specific geographic areas.
- c. *Retail Resupply*. This system allows Material Distribution, from time to time, to designate a retail activity as retail resupply stocking point. Storerooms/stockrooms in the facilities that house those activities are used to distribute retail items to meet assigned customer support goals.

133 Processes**133.1 Wholesale Material Management****133.11 Wholesale Supply Management Operations**

Wholesale supply management operations consists of the management of all Postal Service supplies, repair parts, and equipment assets.

133.12 Wholesale Inventory Item Management

Wholesale inventory item management is based on the life-cycle management of a system that begins when the item for a system is first conceived and ends when the system is taken out of operational use and disposed of. Within the Postal Service, the terms “system” and “equipment”

are often synonymous, since much of the Postal Service contract effort is directed toward the introduction of new mail processing equipment into the Postal Service automation and mechanization equipment inventory or major modification of existing operational equipment. Life-cycle management embraces all functional activities performed in support of the system. Those functions are performed either by Postal Service organizations or by a contractor performing in accordance with a Postal Service contract.

133.13 **Life-Cycle Management**

The phases of life-cycle management include concept development, planning, acquisition, pre-production, production/deployment, operation, and disposal. The guiding document during the entire life cycle of the system is the Life-Cycle Management Plan (LCMP). The LCMP is a dynamic document that is continuously revised and contains such plans as the supply support plan, provisioning plan, and maintenance plan, which collectively describe in detail the functional support of the system.

133.2 **Retail Material Management**

133.21 **Management**

Retail inventories are managed under policy guidance and procedures established by Supply Management Operations. Operational management of retail inventories is the responsibility of the activity holding the inventory. To the extent possible, stockrooms should be consolidated into one central location for each facility. Items carried are commonly used supplies, repair parts, and equipment. In some cases, activities may resupply specified lower level activities in a geographic area.

133.22 **Control**

Given the large number of stocking activities and the decentralized nature of the Postal Service management system, the retail inventory management approach is based on the concept that material will be pulled, or ordered, by individual retail activities from higher echelons in the system. A reorder point technique will determine when replenishment is required, and an order quantity will determine how much to reorder in each replenishment.

134 **Stock Categories and Classes**

134.1 **Provisioned Items**

Provisioned Items are stocked to give initial support to new or modified end items of equipment until the actual customer demand to be expected over time has become clear. Provisioning policy is as follows:

- a. New equipment systems will be supported. All new equipment acquisitions and modifications will be examined by Capital Equipment Material Management (CEMM) and Supplies Material Management (SMM) to determine the extent to which they will be provisioned.
- b. Stock number assignment and technical data management begins during the process of determining support approaches, locations, and quantities of support items — this is the responsibility of the CTDS group.

- c. Supply Management Operations, in conjunction with Maintenance, will develop and apply provisioning tools and techniques.
- d. Provisioned items may become demand-based items (if actual demand has been high enough), or they may become candidates for deletion from the system.

134.2 **Demand-Based Items**

Demand-based items are stocked because they have been requested often enough to warrant stockage and because demand for them is expected to continue.

134.3 **Nondemand-Based Items**

Nondemand-based items are stocked because they are critically important to customers based on operational impact.

135 **Material Acquisition**

135.1 **Policy**

The material management system must acquire quality material as efficiently and cost-effectively as possible in conformance with Postal Service and other federal regulations and requirements. The USPS Excess Items catalog on eBuy should be searched for suitable items before new material is acquired. Items listed in the eBuy USPS Excess Items catalog are transferred at no cost to the receiving activity except for possible shipping charges (if a Postal Service bill of lading is required) and depreciation expenses if the items are capital and not fully depreciated. If new material is to be acquired, eBuy and other Postal Service supply sources will be used before open market sources.

135.2 **Relationship Between Acquisition and Supply**

The relationship between acquisition and supply can be shown by comparing the responsibilities of material managers and purchasing personnel:

- a. Material managers are responsible for keeping purchasing organization personnel informed of their requirements for the range, depth, and location of inventory and its capability for supporting customers.
- b. Purchasing personnel are responsible for timely processing of inventory replenishment requests and for ensuring that customer-requested items that are not available in Postal Service or other inventories are procured effectively.

136 **Supply Sources**

The Postal Service relies on supplier responsiveness and best value sources of material and services. Consideration must first be given to excess postal inventories such as Excess Items Catalog on eBuy as a source of supply and then to the wholesale inventory. For items not carried or not available in inventory, National Materials Customer Service can assist by recommending alternative supply sources with due consideration of the urgency of the

customer requirement. Equal consideration is given to quality and form-fit-function requirements and to responsiveness and best value. eBuy catalogs should always be considered before an open market source. Some of the alternate sources of supply are:

- a. General Services Administration (GSA), Defense Logistics Agency (DLA), and Department of Veterans Affairs (VA). These are the supply sources for items listed in their respective catalogs when they can meet the need on time and cost effectively.
- b. Open Market. If requested material is unavailable from excess or Postal Service wholesale sources, eBuy or special acquisition methods, it may be purchased on the open market.

137 **FEDSTRIP Process**

137.1 **Logistics Programs**

GSA Advantage (www.gsaaadvantage.gov) and the GSA Federal Supply Schedule program are prime supply sources for many commonly used products and services not available on eBuy or under national contract. When ordering through GSA, an IMPAC credit card or Federal Standard Requisitioning and Issues Procedures (FEDSTRIP) Activity Address Code (AAC) is required. National Materials Customer Service in Topeka is responsible for FEDSTRIP AAC assignment and maintenance data for the following:

- a. Headquarters.
- b. Headquarters field units (including all field Inspection Service units).
- c. Contractors.
- d. Department of Defense (DOD) military Postal Service sites worldwide.

These organizations must coordinate directly with their supporting Material Service Center (MSC) for FEDSTRIP address code assignments and for maintenance changes of FEDSTRIP data.

137.2 **District Material Management Specialist**

District material management specialists are responsible for coordinating the assignment and maintenance of FEDSTRIP AACs for all Postal Service activities assigned to their respective performance clusters.

137.3 **Material Service Center**

The Material Service Center (MSC) material management specialists are responsible for coordinating assignment and maintenance of FEDSTRIP AACs for area-level offices within their geographical area. They review and recommend enhancements to national FEDSTRIP policy and coordinate the implementation of such policy at the field level. They provide guidance and assistance to district material management specialists on FEDSTRIP matters.

137.4 **Codes Assignment and Maintenance**

All requests are submitted on a PS Form 8192, *FEDSTRIP/Address Activity Code Request*, and forwarded to National Materials Customer Service in

Topeka, Kansas, for the actual assignment and maintenance of FEDSTRIP codes.

138 **Special Acquisitions**

138.1 **Methods**

Where customer support requirements or material management efficiency and effectiveness dictate, consideration will be given to the application of special acquisition methods to satisfy Postal Service material requirements. Such methods may include systems contracts, multiyear requirements contracts, or other tailored acquisition instruments. Each of these methods is an initiative to designate specifically a range of material for special innovative inventory and purchasing management. Items may include any of the three commodities (supplies, parts, or equipment items). These special management methods will typically involve nonstandard inventory management (in range, depth, and positioning policies) and the application of tailored purchasing instruments, particularly systems contracts.

138.2 **Process Analysis**

The process for identifying, evaluating, and procuring an item or family of items under special acquisition methods is a joint wholesale material management and purchasing function. It requires analysis involving requirements definition; form, fit, and function; market analysis; contract solicitation; and vendor performance and evaluation.

139 **Accountability and Control**

The managers in charge of Postal Service installations or activities are physically accountable for all material used and stocked for use in carrying out their assigned mission. The accountability for material must be maintained by the checks and balances in the material management system, stringent accounting controls, and specific periodic reports to Postal Service officials. National Supply Management Programs is responsible for monitoring overall system performance. Two primary control methods are:

- a. Physical inventories, which are periodic counts of stockroom, storage area, or warehouse contents. Their main purpose is to ensure that the physical stock on hand matches that shown on the inventory records.
- b. Financial inventory accounting, which is used for monitoring the financial resources an activity has invested in material. It applies to material maintained in inventory and to selected controlled material. To ensure appropriate accounting of Postal Service equipment, Postal Service activities must maintain records documenting its assignment, use, maintenance, and eventual disposition.

1310 **Performance/Contribution Measurement**

Performance measurement standards for inventory management at the national level and contribution measurement for retail stocking activities will

be established by the manager of Supply Management Operations. The following measurement conventions must be observed:

- a. All material support activities will establish with their customers key performance indicators to measure customer satisfaction.
- b. Joint plans for process improvements will be developed with the customers.
- c. Each Material Service Center (MSC) will:
 - (1) Administer a customer assistance review program to conduct a periodic on-site review of each performance cluster's material management needs and assess the support required to ensure policies and procedures compliance and customer satisfaction.
 - (2) Establish – with their customers – key performance indicators to periodically measure customer satisfaction.

2 Freight Transportation Management — Shipping and Receiving

21 Introduction

211 Policy

Freight transportation management is the process of matching customer material transportation requirements with capable Transportation Service Providers (TSPs) offering services at reasonably negotiated rates. The principal management responsibilities are providing guidance for best value TSP selection and arranging for preparation of shipping documentation.

The focus of material management transportation is to provide necessary knowledge and tools to accomplish proper solutions in the movement and receipt of Postal Service material, equipment, vehicles, and supplies.

Procedures in this chapter include:

- a. Essential bill of lading (BL) processing steps for Free on Board (FOB) origin.
- b. Shipping and data requirements required for TSPs to understand what services it will provide.
- c. Postal Service requirements for auditing and paying invoices.

The BL format is not critical, but it is very important that shipping information be complete and accurate. The Postal Service provides the use of the Web-based software application called Freight Traffic Management System (FTMS) as a method of preparing bills of lading. The SF1103 Government Bill of Lading (GBL) forms are no longer used within the continental United States or its territories. Procedures for preparing Postal Service Bill of Lading (PSBL) forms are in section [222](#), FTMS PSBL documents.

212 Applicability

Freight transportation management policies and procedures apply to the preparation, transport, and receipt of material throughout the U.S. Postal Service. Personnel responsible for freight transportation management at all levels must comply with these instructions. Detailed procedures for qualifying and selecting TSPs, setting-up a payment system, negotiating rates, and evaluating performance standards will be provided by Material Service Centers (MSC) or Supplies Material Management (SMM) staff.

213 Purpose

This chapter provides policies and procedures for:

- a. Documenting transactions (subchapter [22](#)).
- b. Initiating transactions using FTMS for shipping material (subchapter [23](#)).
- c. Concluding transactions by receiving shipments (subchapter [24](#)).
- d. Processing claims against TSPs for loss or damage through Team Logistics, the Postal Service contractor now filing Postal Service loss and damage claims (subchapter [25](#)).

214 Responsibilities

Supplies Material Management (SMM) is responsible for establishing transportation management policies and procedures, as well as funding and managing transportation programs. SMM delegates authority for issuing PSBLs to issuing officers. Issuing officers may redelegate this authority, with notification to SMM. SMM and issuing officers are responsible for complying with these policies and procedures. All Postal Service employees must provide complete information needed to perform transportation management functions. They must also cooperate with SMM and issuing officers to select cost-effective transportation services that satisfy their distribution requirements.

215 Definitions

215.1 FOB Origin — Freight Billed to U.S. Postal Service

“Free On Board (FOB) Origin — Freight Charges Billed to U.S. Postal Service” is referred to as “FOB origin” in Postal Service manuals and handbooks. FOB origin means the Postal Service takes ownership of material when it is loaded onto the transportation vehicle the U.S. Postal Service has selected and the documentation is signed at the supplier’s facility. Shipments may be transported on PSBL via FTMS or the supplier’s BL using BL number(s) pre-assigned by the Postal Service. Freight invoices will be submitted to the Postal Service through a contractor who will pre-audit each invoice before payment. Shipments between Postal Service entities (facilities that are the shippers and receivers) will always be handled as FOB origin shipments. If there is evidence that an FOB origin shipment has been damaged in transit, receiving personnel must accept the shipment from the TSP and the receiver must notify the Postal Service contractor, Team Logistics, to file a claim against the TSP.

215.2 FOB Destination — Freight Prepaid by Supplier

“FOB Destination — Freight Prepaid by Supplier” is referred to as “FOB destination” in Postal Service manuals and handbooks. FOB destination means the Postal Service (consignee) takes ownership of material when it is unloaded from the transportation vehicle and receiving personnel sign the TSP’s delivery receipt. Freight charges will be paid by the supplier (consignor) to the TSP. If there is evidence that an FOB destination shipment

has been damaged in transit, the supplier has the responsibility to initiate a claim against the TSP.

It is rarely in the best interest of the Postal Service to refuse freight. On occasions when Postal Service staff does refuse freight, storage or redelivery charges are incurred or our suppliers may be exposed to these charges. The most likely occurrence is a shifted load that presents an obvious unloading hazard to Postal Service staff. However, this situation should be treated as a failure of the carrier to deliver, not a shipment refusal. The carrier has responsibility to assist in unloading, so receiving personnel should place the burden on the carrier to get the product into a position that allows our staff to safely handle the shipment. Otherwise the carrier has not delivered the shipment.

216 Documentation

216.1 Types of Transportation Documents

Documents may be paper- or electronic-based. Principal documents include the bill of lading, shipping order, freight manifest, delivery receipt, public voucher, and freight invoice.

216.11 Postal Service Bill of Lading

- a. The PSBL is a contractual agreement between a TSP and the U.S. Postal Service for transportation services. PSBL issuance is the responsibility of a delegated issuing officer, based on information provided by the owner of material (usually the requesting office) on a shipping order. In practice, the consignor (a shipper who is usually the supplier or requestor) will often complete the PSBL form (see [Exhibit 216.1](#)), which is accepted by the TSP. Full information about the line-haul transportation for a shipment is entered, as well as enumeration of accessorial services requested.
- b. When distributing additional copies of a PSBL, the shipping office should make an additional 3 copies of the PSBL and distribute as follows:
 - (1) 1 copy (original) to the TSP picking up shipment.
 - (2) 1 copy to consignee.
 - (3) 1 copy to local file.
 - (4) 1 copy to issuing office.

216.12 Pro Freight Bill (Delivery Receipt)

The TSP presents the delivery receipt (DR) to the designated receiving person at destination for signature when a shipment is delivered. It is used as a receipt for both the consignee and TSP files. If overage, shortage, or damage (OS&D) is observed, the discrepancies are noted on the DR and signed by both the receiving person and the TSP agent. Always refer to the progressive (Pro) number, the number used in identifying waybills and freight bills, in correspondence with the TSP.

216.13 Shipment Invoice

The TSP submits the shipment invoice (SI) upon completion of transportation services. For FOB origin services, the SI is submitted to the Postal Service in care of a prepayment invoice auditor. The freight invoice (FI) is sent to the consignor for FOB destination shipments. The SI is based on the services requested on the PSBL.

217 Issuance Authority

A PSBL is a contract that obligates the Postal Service to pay a TSP for transportation services provided at established rates and carried out under specified procedures. The only individuals authorized to execute PSBLs with TSPs are authorized Postal Service employees and contractors. Authorized individuals may delegate transportation management activities to other individuals at their discretion. FTMS-trained individuals are responsible for providing transportation management training and PSBL documents or preparation software, complying with procedures, and providing administrative support. The following FTMS users are responsible for issuing PSBLs to requesters:

- a. Supplies Material Management staff at Headquarters.
- b. Designated shipping and receiving staff and the Material Distribution Center (MDC) and Critical Parts Centers (CPCs).
- c. Materials Service Centers (MSCs) staff.
- d. District Material Management specialists.
- e. Designated supplier staff.

22 Documenting Transactions

221 Information Requirements**221.1 Postal Bill of Lading Register**

The PSBL number, date of release, and its recipient must be recorded in a PSBL register at Postal Service supplier facilities. The PSBL register may be either a hard-copy form (similar to the one in [Exhibit 221.1](#)) or part of an electronic database that retains at least the information shown in that exhibit. An electronic database must be capable of being queried and archived periodically.

221.2 Shipping Requests

A written, properly authorized shipping request containing specific contract or purchase order information about the material to be shipped is required before a PSBL is issued. FTMS facilitates submission of shipping requests electronically. If the material is already owned by the Postal Service, the requestor will provide complete information about the item and transportation requirements and must have approval from her or his supervisor for the transfer. Shipping requests may be submitted orally, but

must be confirmed in writing within 2 business days. FTMS is the most efficient and accurate means of transmitting a shipping request.

221.3 **Document Retention**

An electronic copy of each bill of lading is retained by the Transportation Management Service Provider (TMSP) for 7 years beginning with the year of issuance. Upon written request, the TMSP will furnish the USPS with the electronic and/or printed copies of the proof of delivery documentation and the bill of lading.

221.4 **Canceled Shipments**

There is no requirement to keep PSBL information in the PSBL register for canceled transactions. PSBL requestors will keep supporting documents (either paper or electronic) that explain cancellations for 1 year to respond to information requests.

221.5 **FOB Documents**

221.51 **Redirecting FOB Origin Shipments**

“Diversion” changes the destination address while a shipment is en route and before it reaches the last TSP terminal before delivery. “Reconsignment” changes the destination address after it has reached the TSP’s delivering terminal. Either may result in an additional charge, which should be billed to the requesting office and paid from local funds. The PSBL preparer will give diversions or reconsignments to the TSP in a timely manner, usually by phone with subsequent written confirmation. Specific instructions indicating from what point the shipment is being diverted and to what point the shipment is being delivered (i.e., the street address, PSBL number, TSP’s freight bill (Pro) number, location of shipment at the time of request, etc.) will be provided to the TSP. A copy of this letter will be forwarded to SMM.

221.52 **Redirecting FOB Destination Shipments**

The consignor must make diversions or reconsignments. In most cases, this is a vendor shipping material to the Postal Service under a purchase order. Requests for diversions or reconsignments must be submitted to the contract officer for the contract under which the shipment is made since the request may have a price impact on the vendor.

221.6 **Tracing Shipments**

Misrouted or missing PSBL shipments can be traced by contacting the consignor to determine the TSP, the date of shipment pick-up, and the TSP’s Pro number for the shipment. Shipment status must be requested from the originating TSP. If the shipment has been delivered, a TSP will provide a copy of the delivery receipt signed by the receiving office. Many TSPs operate online Web sites that allow shipments to be tracked and traced.

221.7 **Requesting PSBLs**

An office without FTMS access must complete the BL request form (see [Exhibit 221.8](#)). One of the following documents will be attached:

- a. Purchase order.
- b. eBuy requisition number.

- c. Contract number
- d. PS Form 7340, *Shipping Instruction for Excess Property*.
- e. Other authorizing document.

Submit the PSBL request form and one of the above documents to the material management office that provides transportation management support within your area of responsibility.

221.8 **Shipment Between Two Points in the Same Metropolitan Area**

Motor Vehicle Service (MVS) trucks may be used for local movements when properly authorized. If no MVS truck is available, FOB origin shipments are allowed for moving property entirely within a metropolitan area. PSBL preparers should contact several local transportation companies listed in telephone directories and obtain written quotes for their services. The preparer should also request a copy of their insurance certificate, ICC number, tax identification number, and payment address for TSPs that have not been used before. The preparer must send a copy of the written quote and required TSP information to SMM to allow a payment account to be set up by the San Mateo ASC. You may also contact SMM or your MSC for questions or to locate a carrier that can perform the required service.

221.9 **TSP Selection for Shipment**

The following criteria must be considered prior to selecting a TSP to handle the shipment:

- a. Shipments that exceed 10,000 pounds.
- b. Postal Service requires exclusive use of vehicle (usually truckload).
- c. Air shipments of more than 300 pounds.
- d. Shipments of electronic mail processing or other specialized equipment.
- e. Shipments of vehicles.
- f. Shipments of household goods.
- g. Shipments outside the continental United States.

If a shipment does not fall into one of these categories, select a less-than-truckload (LTL) TSP from FTMS. If your shipment falls into section [221.9a](#), select a truckload TSP from FTMS. You need FTMS level-2 training and transportation management training to select TSPs in sections [b](#) through [g](#) for manual insertion in FTMS.

Table 221.9

Transportation Management Support for USPS

Provided By: SUPPLIES MATERIAL MANAGEMENT
 475 L'ENFANT PLAZA SW RM 4541
 WASHINGTON DC 20260-6225
 Fax: 202-268-5756

(You may also contact your area MSC. FTMS contains a list of MSC phone numbers.)

222 FTMS PSBL Documents

FTMS assists in selecting a TSP and is the tool used to create PSBLs, Access to FTMS is controlled. Please contact SMM to obtain training, logon ID, and a password to access the system. There are two sites available:

<http://wadchqws659/nts/> (for training) and <http://wadchqws63f/nts/index.htm> (for normal operations).

223 Correcting a PSBL

After shipment has occurred and changes are made to a PSBL, use the BL Correction Notice (see [Exhibit 223](#)) or equivalent paper or electronic form to note any corrections. The issuing office should execute the PSBL correction notice, send the original to the carrier, and retain a file copy. Correction notices are used for a variety of reasons, including:

- a. Change in the number of pieces in the shipment.
- b. Change in the shipment's weight and/or dimensions.
- c. Change in address (origin or destination).
- d. Change in a TSP name.

224 Vendor Compliance With PSBL Procedures

Vendors shipping material FOB origin may be supplied with partially completed PSBL forms or preparation software to be completed for Postal Service shipments. The issuing officer providing the PSBL forms or preparation software is responsible for vendor entry of accurate information, timely performance of functions, maintenance of a PSBL log or other database, and use of approved TSPs. The issuing officer or designated staff must monitor vendor compliance through on-site visits or periodic review of vendor shipping data. See [Exhibit 224](#) for an example of an instruction letter to a vendor.

23 Shipping

231 Policy

Shipping is a material management function that identifies a transportation requirement and TSP services to be performed (the basis for transportation rates that will be paid), prepares the shipment for TSP pick-up, and collects information for material accountability. Accurate information and close adherence to procedures ensure that required services are provided cost effectively to customers.

232 Selection of FOB Origin or FOB Destination Terms

The selection of FOB origin or FOB destination delivery terms will be based on determination of best value to the Postal Service for that transaction. Relevant considerations include transportation services available to consignor or consignee (i.e., TSP rules, rates, and charges, etc.) as well as desirability for the Postal Service to manage its transportation requirements.

It is in the best interest of the Postal Service to control its inbound shipments.

Reasons for giving preference to FOB origin terms include opportunities for transportation pricing based on shipment volumes, coordinating shipment pick-ups for load consolidation, and consistent service rules for all TSPs. However, during purchasing negotiations between the Postal Service and vendors, a determination may be made to ship via FOB destination. This decision must be supported by an explanation justifying FOB destination as the best value for the Postal Service. Ordinarily, FOB destination can be justified when cost savings on delivered unit cost is substantially greater than the unit price plus transportation charges.

233 **Shipping Requests**

Shipping requests are initiated by Postal Service entities. Requests should be submitted via FTMS or in writing. Requests must include all information pertinent to the shipment. Telephone requests may be made when the urgency of shipment needs immediate action; however, telephone requests should be confirmed in writing within two business days. All shipping requests should be made as early as possible, but at least one business day before desired pick-up. Shipping requests should be submitted to FTMS-trained personnel.

234 **Modes of Shipment**

Postal Service material must be shipped at the lowest cost consistent with required delivery time, reliability, and quality of service. The following methods should be used for shipments under 10,000 pounds or shipments not requiring SMM assistance:

- a. Local Drayage. For shipments moving within the same commercial zone, staff may select a local carrier based on their own competitive evaluation and consideration of past performance.
- b. Shipments by Mail. Material may be shipped through the Postal Service mailstream when the shipment meets size, weight, contents, packaging, and other requirements prescribed by the *Mailing Standards of the United States Postal Service*, Domestic Mail Manual (DMM®). All postage for shipments must be prepaid.
- c. PSBL Shipments. The characteristics of many items will require shipments via commercial transportation. Refer to part [216](#) for procedures on handling commercial TSP shipments.
- d. Highway Contract Routes (HCR) (formerly called Star Routes). The HCRs are private TSPs that negotiate transportation contracts with the Postal Service to move mail between Postal Service facilities. Routes are set between facilities and have established schedules.
- e. Maintenance Vehicles. These are used most commonly to transport equipment items being transferred between facilities that require maintenance installation. Requester initiates this action by submitting PS Form 4805, *Work Record Sheet* (see [Exhibit 235e](#)), to the local maintenance office.

235 Packaging

Shippers are responsible for any loss or damage to the material occurring prior to pickup of shipment resulting from improper packing, marking, loading, handling, and storing. The shipper is required to pack and mark packages to be in compliance with contract specifications and/or carrier transportation specifications. In the absence of such specifications, prepare the shipment in conformance with TSP requirements to protect the property and ensure assessment of the lowest applicable transportation charge. Order specific TSP packaging material when required by the TSP; otherwise, order appropriate packaging material (not in excess of capacity) to accommodate shipment. Shipment of unpacked items is discouraged, unless moved by a specialized or electronic van carrier.

236 Scheduling and Documentation**236.1 Scheduling Outgoing Shipments**

Outgoing shipments must be scheduled to avoid conflict with processing or transport of mail and/or incoming shipments of material. You should contact the TSP to clarify pick-up times and hours of operation and arrange for any necessary resources and material-handling equipment.

236.2 Staging Material

You should position, safeguard, and secure equipment in designated shipping areas prior to carrier's arrival.

236.3 Shipping Documentation**236.31 Shipment Information and Labeling**

Required shipping documentation must be properly completed and available for processing by the TSP's agent. Ensure that proper annotations and signatures are obtained. Items to be shipped should be properly marked, labeled, and placarded (if hazardous material) for transit. If the shipper has questions about hazardous materials, contact the district environmental coordinator, MSC, or SMM at Headquarters.

236.32 Air Cargo Shipper's Security Endorsement

The Federal Aviation Administration (FAA) requires air cargo carriers to obtain a shipper's security endorsement (SSE) for shipments that may be routed via passenger-carrying airlines. Complete the SSE (see [Exhibit 237.32](#)) and sign it in the presence of the air cargo carrier's agent when the shipment is picked up at origin. Two forms of identification must be presented; one must have a photo matching the employee. Suggested identifications are a Postal Service employee badge and state-issued driver's license. One SSE with an original signature must accompany each shipment and a photocopy kept at the origin. Attach the original onto the shipment using a self-stick envelope (provided by air cargo carrier if not locally available) for presentation to the air carrier.

236.4 Demurrage, Detention, and Storage

236.41 Policy

The Postal Service monitors demurrage, detention, and storage charges to ensure that loading and unloading procedures keep these charges to a minimum.

236.42 Definition

Demurrage and detention both refer to the delaying of transportation equipment by shippers or receivers, beyond specified lengths of free loading/unloading time allowed by TSPs. TSPs may impose demurrage or detention charges for such delays. They may also impose storage charges when they must hold shipments on their own premises while awaiting delivery or redelivery. All such charges will be paid by the facility creating the situation.

236.43 Basic Factors for Free Time Determination

The amount of free time allowed by a TSP for loading or unloading varies with weight, type of carrier, and geographical location. Provisions for FOB origin shipments by highway TSPs are standardized by the General Services Administrations rules and are outlined below. Applicable carrier rules and regulations must be checked for rail and air shipments or for FOB destination shipments. MSCs or SMM will provide guidance upon request.

236.44 General Guidelines for Highway TSP Shipments

[Table 236.44](#) following shows a weight/time schedule for FOB origin highway TSP shipments.

Table 236.44

Weight/Time Schedule

Shipment (weight in pounds)	Free Time (in minutes)
Less than 10,000	120
10,000–20,000	180
20,000–28,000	240
28,000–36,000	300
36,000–44,000	420

236.45 Computation of Highway TSP Free Time

Free time begins when the driver notifies the facility that the vehicle is available for loading or unloading and ends when the bill of lading or delivery receipt has been signed. One extra hour is allowed when loading or unloading a TSP vehicle through a normal meal period. TSPs may charge \$25 or more per hour or fraction of an hour for delay beyond the free time allowed.

236.46 Rail Shipments

The following are general guidelines for rail shipments:

- a. *Weight or Time Schedule.* The complexity of rail car detention charge computations precludes detailed explanation in this handbook. SMMs

should be consulted as questions arise. As a general rule, 48 hours is the free time allowed for loading or unloading of rail cars.

- b. *Computation.* Computation commences from 7:00 a.m. after actual placement of the car or cars. Saturdays, Sundays, and holidays are not considered when computing free time; however, they are counted in determining detention charges once free time has expired.

236.47 **Responsibilities of Consignors and Consignees**

Responsibilities in connection with demurrage, detention, and storage are as follows:

- a. *Consignee (Postal Service employee).* To avoid demurrage and detention charges, TSP equipment placed for loading or unloading must be released within the free time allowed by the TSP whenever feasible. To avoid charges for storage, consignees must normally accept shipments when they are offered for delivery. Postmasters and other responsible employees must arrange with local TSP agents for prompt notice of delivery.
- b. *Consignor.* When circumstances prevent release of TSP equipment within the free time allowed, the consignor must place the following signed certification on the TSP's documents (TSP and consignee copies):

I certify that the car or truck shown on this bill of lading has been held between (date and time) and (date and time). Detention was caused by (state the exact reason for failure to release the equipment within the free time).

Signature

Title

Date

- c. *Consignors and Consignees.* The consignor or consignee is responsible for all demurrage, detention, or storage charges that accrue on shipments at their location. Those charges must be paid from local funds.

236.5 **Responsibilities for TSP Loading**

236.51 **Highway, Intermodal, and Air Carrier**

Highway, intermodal, and air freight TSPs will load shipments from a place of rest accessible and adjacent to the vehicle's tailgate. The rates stated in tariffs generally include the loading services of one person per vehicle. It is the TSP's responsibility to get the freight from loading dock to vehicle, but for expediency Postal Service staff may assist with loading from their dock to the vehicle. For more information, see item 568 in the Rules section of the National Motor Freight Classification (NMFC) or consult SMM.

236.52 **Railway TSP**

Railway TSPs will position a car for loading on a public or private siding. If the siding is not located at a Postal Service facility, a local drayage carrier will pick up the freight at the facility (public or private) and deliver it to the public

siding. Loading arrangements vary by commodity. For more information, contact SMM.

236.6 **Postal Service Obligations**

236.61 **Damage Prevention and Accessibility**

Postal Service employees are responsible for properly loading, blocking, bracing, and securing carload and truckload shipments to prevent damage to the material and to the TSP's equipment. Freight that is to be unloaded at a stop-off point must be made readily accessible for unloading without reblocking or rebracing.

236.62 **Avoidance of Overloading**

Care should be exercised to prevent loading beyond marked capacity when heavy commodities are involved, as additional charges for unloading or reloading of excess weight can be quite costly.

236.63 **Tallying**

Postal Service employees must make an actual count and keep a tally record of all items loaded in or on TSP equipment. Shipping documents or other formats may be used for that purpose. The tally record should be filed with a copy of the shipment manifest or shipping order.

236.64 **Arranging for Special Equipment and Services**

When rigging or special loading equipment and services are needed due to the weight, dimensions, or other physical characteristics of the pieces or packages, they may be provided by the consignor or may be purchased at the facility's own expense through local purchasing authority.

236.7 **Less-Than-Truckload Motor Shipments**

236.71 **Loading Requirements**

The consignor or consignee must furnish adequate means by which material can be moved onto the TSP's vehicle when (1) shipping facilities are not reasonably level with the floor of the TSP's vehicle; and (2) the shipment cannot be handled by one person due to weight, dimensions, or other physical characteristics.

236.72 **Freight Loaded Into Pup Trailers**

A "pup" trailer is about 28 feet long and often used by less-than-truckload (LTL) carriers in urban areas for pick-up and delivery. Avoid filling a pup with a single shipment moving on one BL where no more freight on the same BL can be loaded into the pup trailer. This does not apply if freight on two or more BLs is being loaded. The full visible capacity (FVC) rule applies when a pup is filled with one shipment and no more of like kind can be placed on the trailer; the applicable 20,000-lb. rate will apply. LTL TSPs usually do not provide rates as low as truckload (TL) TSP rates, so the resultant charge is higher and transit time longer than if a TL TSP handled the shipment.

236.73 **Loading Freight Onto More Than One Pup Trailer**

A single shipment should not be loaded onto more than one pup trailer. The whole shipment should be shipped via a truckload TSP if it appears that the

freight will exceed the capacity of one pup trailer. Contact your MSC or SMM with questions about shipments that exceed the capacity of a pup trailer.

236.74 **Purchase of Needed Services**

When assistance needed by the TSP cannot be provided by the consignor or consignee, it may be purchased using local authority provided that the cost does not exceed \$2,500. Contact your MSC if the cost exceeds \$2,500.

236.75 **Carload and Truckload Shipments**

236.751 **General**

Rail TSPs do not assist with loading shipments after equipment is spotted in position for loading. Highway TSPs generally assist in loading, but their services do not include packing, erecting, rigging, dismantling, lowering, or hoisting unless inside pick-up is specifically requested.

236.752 **Seals**

Shippers are responsible for sealing TSP equipment of a closed type (trailers and box cars) that is loaded with truckload or carload quantities of Postal Service material. The seal numbers must be entered on the bill of lading, with an indication of whether the seals were applied by shipper or carrier. TSP personnel have the right of access to the equipment except in cases where seals are applied for security reasons. In such cases, the bill of lading must be annotated as follows:

Do not break seals except in case of emergency or upon prior authorization from the consignee. If found broken or if broken for emergency reasons, apply TSPs seals as soon as possible and immediately notify both consignor and consignee.

24 Receiving

241 **Policy**

Receiving is an important material management function that concludes the transportation shipment, checks the condition of the material, and collects information for material accountability. It must be done accurately to conserve and protect Postal Service assets, as well as provide required information to other activities affected by the receiving process, such as payment of supplier invoices.

242 **Receiving Process**

242.1 **Sequence of Events**

The receiving process consists of the following sequence of events. They are as follows:

- a. TSP arrival (begin unloading free time).
- b. Trailer positioning at the dock.
- c. Unloading shipment.
- d. Counting and visually inspecting shipping containers.

- e. Receiving shipment in apparent good order or annotating delivery receipt for visible damage or shortage, and releasing carrier (end unloading time).
- f. “Receipt to dock” by the authorized receiving personnel.
- g. Opening packages and inspecting for concealed damage and quality (verifying that items comply with contract requirements).
- h. “Receipt to stock” by material accountability officer (title to material passes to Postal Service at this point for FOB destination shipments).
- i. Completing material receiving report (used to pay vendor for FOB destination contract shipments).

242.2 **Receipt to Dock and Receipt to Stock**

“Receipt to dock” and “receipt to stock” are terms often used in stockroom or warehouse environments. However, these concepts apply to any Postal Service activity, even if “receive to stock” means receiving equipment at the destination where it will be unpacked and go into immediate use at a person’s office or in the facility. “Receipt to stock” occurs when a person at the destination accepts items in the shipment for Postal Service use. Title to property for FOB destination shipments does not pass to the Postal Service until it is inspected and accepted, which is the receipt to stock transaction. Receipt to stock processing is covered in Chapter [4](#), Stockroom Management.

242.3 **Responsibilities for TSP Unloading**

242.31 **Highway, Intermodal, and Air TSPs**

Highway, intermodal, and air freight TSPs will provide delivery to a receiving platform adjacent to the rear of the vehicle. It is the TSP’s responsibility to get the freight to that spot, but for expediency, Postal Service staff may assist with unloading from the vehicle to their dock. The rates stated in tariffs generally include the unloading services of one person per vehicle. For more information, consult your MSC or SMM. TSP services do not include unpacking, erecting, rigging, dismantling, lowering, or hoisting unless inside delivery is specifically requested.

242.32 **Railway TSP**

Railway TSP’s will position a car for unloading on a public or private siding. If the siding is not located at a Postal Service facility, a local drayage TSP will pick up the material at the public siding and deliver it to the Postal Service facility. Unloading arrangements vary by commodity, but generally rail TSPs do not assist with unloading shipments after equipment is spotted. For more information, contact your MSC or SMM.

242.33 **Inability to Deliver Due to Unsafe Condition of Shipment**

Any shipment, whether FOB origin or FOB destination, that presents a legitimate safety hazard to unload will not be unloaded at Postal Service risk. Although staff may refer to this as a shipment refusal, it is actually the inability of the TSP to deliver. “Delivery” is more than a TSP’s vehicle arriving, positioning at a Postal Service dock, and opening the vehicle door. The TSP is responsible for moving a shipment to the back of the trailer where they or

Postal Service personnel can get it to the loading dock adjacent to the trailer. If the shipment cannot be maneuvered to the back of the trailer safely by the TSP, the TSP has not discharged its unloading obligations and has not made its delivery. Please refer to Section [244.921](#), Receiving a Shipment with Apparent Damage, once a shipment is unloaded by the TSP and is accessible for inspection. The receiving person should call the TSP's dispatcher and send a follow-up memorandum that details the time and events that contributed to the TSP's inability to deliver.

243 **Designated Receiving Points**

243.1 **General Responsibilities**

Each Postal Service stockroom and warehouse or storage room activity will have a designated receiving point, staffed and operated by trained, designated receiving personnel. All incoming material and related receiving documents will flow through those designated processing points for control and documentation. The receiving processes will be standardized at both automated and non-automated activities. Each activity head will designate a specific area or areas for receiving incoming supplies, repair parts, and equipment. All purchase orders and contracts will specify the receiving location and all incoming shipments will be directed there. An exception would be deliveries to individuals/offices (i.e., local buying or credit card purchases, etc.), which may be delivered directly. Designated receiving areas will include a receipt staging area. Incoming items will be delivered first to the staging area for processing and then to the ultimate consignee or to storage. This staging area can be an area near the loading docks or a table in the storeroom, depending on the size of the operation. Receiving personnel are responsible for working with purchasing personnel to see that receiving hours and telephone contact are clearly stated on purchase orders. Preferred delivery times may be stated for shipments from vendors.

243.2 **Tallying**

Postal Service employees must make an actual count and keep a tally record of all items unloaded from TSP equipment. Shipping documents or other formats may be used for that purpose. The tally record should be filed with a copy of the delivery receipt.

243.3 **Arranging for Special Equipment and Services**

When rigging or special unloading equipment and services are needed due to the weight, dimensions, or other physical characteristics of the pieces or packages, they may be provided by the consignee or purchased at the facility's own expense through local purchasing authority.

244 **Receipt Control and Stock Records**

244.1 **General Procedures**

Receiving personnel are responsible for maintaining a suspense file to organize paperwork on all shipments due in. File contents should be reviewed for planning purposes to ensure fast, accurate, and orderly receipt

processing. Copies of purchase orders containing prompt payment discount provisions should be flagged. Receiving reports requiring San Mateo payment must be completed and submitted to the San Mateo Accounting Service Center (ASC) within 5 days of receipt of goods or services. Invoices received directly from a vendor must be checked for accuracy, properly certified, and promptly submitted to the San Mateo ASC so payment may be made in a timely manner. When feasible, arrangements for receiving and storing any large-volume shipments should be made prior to the shipments' arrival. At automated activities, the receipt control suspense files may be maintained in a computer database (see [Exhibit 243.1](#) for example of stockroom pending receipt file).

244.2 **Signatures**

244.21 **Authority to Sign Receiving Documents**

Each installation head designates in writing the personnel who are authorized to sign receiving documents and thereby accept shipments on behalf of the Postal Service. The person who purchased the item should not be authorized to receive the item.

244.22 **Signature on TSP's Delivery Documents**

The receiving clerk's signature on a TSP's delivery document constitutes Postal Service receipt of a shipment. Unless noted otherwise, the quantity, description, and condition of items are as shown on the delivery document. Problems such as overage, shortage, and damage must be detected by receiving personnel and noted on the documentation at the time of receipt. If mistakes are not discovered and documented before final receipt, the time and effort involved in correcting them will be much higher, and the likelihood of their successful resolution will be considerably lower.

244.3 **Notification to Designated Receiving Personnel**

When items are delivered at a loading dock, personnel in charge at the dock will promptly notify designated receiving personnel.

244.4 **Receiving Logs**

Installations will maintain receiving logs at the designated receiving location for recording the date, name of TSP, gross weight, number of containers, and waybill (if applicable) or BL numbers (see [Exhibit 244.4](#)).

244.5 **Basic Validation and Processing Procedures**

The incoming shipments and the accompanying delivery documents must be checked as the shipment is received. Procedures are as follows:

- a. Ensure that the shipment has arrived at the correct consignee (destination) address. If it has not, the driver should be directed to the correct address and must deliver to that address at no extra charge to the Postal Service. A shipment must not be refused if it has arrived at the correct consignee address. If unloading a shipment delivery poses a safety hazard, the Postal Service considers this situation the inability of the TSP to deliver, not a refused delivery. The TSP must arrange for unloading and placement onto the destination's dock. See [242.33](#),

- Inability to Deliver Due to Unsafe Condition of Shipment; and [244.921](#), Receiving a Shipment With Apparent Damage.
- b. Verify that information found on containers and any attached or enclosed packing slips or invoices matches information that appears on the delivery document and the purchasing or ordering documentation. Check consignor or vendor name, consignee, BL number, and description of shipment.
 - c. Perform all of the actions in this paragraph before signing the TSP's delivery receipt when truckload or less-than-truckload shipments are received from a TSP. Carefully observe the outward appearance of each container as it is removed from the delivery vehicle. When a container shows evidence of damage or pilferage, call it to the attention of the TSP's representative at once. Ensure that the damage is noted on the TSP's delivery receipt and that the TSP's representative and the designated receiving personnel both sign the document. Place damaged containers apart from the others and ensure that the problem is promptly investigated and noted on the delivery document when unloading is completed. Count all shipping units (referring to the delivery document and the purchase or delivery order) to determine whether a shortage or overage exists. Open containers to check quantities only when there is evidence of their having been tampered with or damaged in transit. Maintain a record of the count.
 - d. All incoming items should have a packing slip attached to or contained in the package(s). If there is no receiving document with the shipment, the designated receiving personnel must make an effort to ensure that the shipment is forwarded to the intended consignee or returned to the consignor.

244.6 **Annotating TSP's Delivery Receipt**

Both the designated receiving personnel and the TSP's delivery agent must sign (1) the TSP's copy of a delivery receipt and (2) the consignee's copy of the delivery receipt. The Postal Service must file its copy with other pertinent receiving documentation. When there is a BL, the receiving employee must make certain that the BL number is shown on both documents; the employee must add the number if necessary.

244.7 **TSP Requests for Payment Upon Delivery**

All shipments are either prepaid by the consignor (FOB destination) or paid by the Postal Service (FOB origin) after invoices are submitted by a carrier to a prepayment freight bill auditor. Postal Service staff and suppliers must not arrange collect shipments that require payment by the consignee at destination. If a TSP insists upon payment at the time of delivery, ask the TSP's agent to contact the MSC or SMM for resolution.

244.8 **Special Procedures for Receiving FEDSTRIP Orders**

244.81 **FEDSTRIP Orders From the Material Distribution Center**

244.811 **Forms, Directives, and General Office Supplies**

Ordering offices will receive PS Form 4686, *Shipping Order* (called a “shipping notice” here), from the MDC, listing the shipment status for all the items processed on the customer’s order. If this shipping notice lists items being shipped from bulk, those items will be shipped separately. Items listed as back ordered on this shipping notice will be shipped as soon as the stock arrives at the MDC. Ordering offices must retain the shipping notice until all items listed are received. Shipping discrepancies must be reported by telephone or by mail to the servicing MDC. The customer assistance telephone number for the MDC is 800-366-4123. Always have your FEDSTRIP address code and copy of your shipping notice available when calling.

Note: PS Form 4686 is not the same as the shipping order (SO) referenced in [216.11](#).

244.812 **Repair Parts**

Ordering offices will receive PS Form 4686, *Shipping Order*, and/or PS Form 4693, *Repair Parts Center Stock Tag*, with each order. Back ordered items will be shipped as soon as the MDC or Critical Parts Center receives stock. The ordering office should receive the quantity listed in the shipping column of the shipping notice (PS Form 4686). All repair part shipping discrepancies must be reported to the MDC. Always have your FEDSTRIP activity address code and copy of the shipping order (PS Form 4686) available when calling.

244.813 **Collection and Delivery Equipment**

Ordering offices will receive a post card notification 7 to 10 days prior to receipt of the equipment. The office must receive all the items listed on the post card notification. All shipment discrepancies should be reported to the MDC. The customer assistance number is 800-332-0317, Option 5. Always have your order number available when contacting the MDC. The order number is listed in the top left corner of the post card notification. Contact the MDC by using the telephone number previously listed within the following time frames:

- a. Discrepant shipment — 15 calendar days from date of receipt
- b. Lost shipment — 70 calendar days from date of shipment

244.82 **FEDSTRIP Orders from GSA/DLA**

244.821 **Partial Shipments**

Consignees must be aware that when they order an item of inventory from GSA or DLA, the entire order may not necessarily be received at one time. Consignees should not report shipment shortages without checking to see whether GSA or DLA has placed a suffix code in column 24 of GSA Form 1348-1A, *Issue Release/Receipt Document* (see [Exhibit 244.821](#)). GSA and DLA will use suffix codes A, B, C, and so forth, to indicate first, second, and third partial shipments if part of a requested quantity is being supplied and the rest is being back ordered for later shipment, or if the quantity being requested is being supplied in separate shipments. The SF 344 must be annotated as individual shipments are received by attaching a copy of Form

GSA 1348-1A and signing and dating block 14. Unless instructed otherwise, the consignee may discard the other three copies of GSA Form 1348-1A.

244.822 Time Frame for Reporting Discrepancies

The SF 364, *Report of Discrepancy* (see [Exhibit 244.822a](#), [Exhibit 244.822b](#), [Exhibit 244.822c](#), [Exhibit 244.822d](#), and [Exhibit 244.822e](#)), will be submitted by the receiving activity within these time periods:

- a. Discrepant shipment — 15 calendar days from date of receipt
- b. Lost shipment — 70 calendar days from date of shipment

244.9 Documentation

244.91 Documentation for Shipments Without Discrepancies

As previously noted in [244.6](#), both the designated receiving personnel and the TSP's delivery agent must sign (1) the TSP's copy of a delivery receipt, and (2) the consignee's copy of the delivery receipt. The Postal Service must file its copy with other pertinent receiving documentation. When there is a BL, the receiving employee must make certain that the BL number is shown on both documents; the employee must add the number if necessary.

244.92 Documenting, Reporting, and Remediating Damaged or Discrepant Shipments

244.921 Receiving a Shipment With Apparent Damage

Receiving personnel must accept the shipment from the TSP, even if there is evidence that a shipment has been damaged in transit, unless there is a significant safety hazard associated with unloading it. Follow procedures in [244.92](#), [244.93](#), and [244.94](#).

244.922 Description of Damage or Loss on Receiving Document

When packages show obvious damage or when shortage or overage is evident, receiving personnel will note the problem on both the TSP and the Postal Service copies of the delivery document. The designated receiving employee must sign each copy and must be sure to have the TSP's agent (usually the driver) sign each copy to acknowledge the annotation. The annotation must be an accurate, factual, and specific statement of the condition of the shipment, so that claims against the TSP may be processed.

244.923 Photographs of Damaged Shipment

Photographs should be taken upon detection of damaged containers to establish early records. Photos should be taken of the original container before unpacking, if possible, along with close-up photos showing direct damage to the item.

244.924 Retaining Packing Material

Container, contents, and packing material must be retained for TSP inspection. Try to preserve their original "as received" condition as much as possible.

244.925 Request for TSP Inspection

Authorized receiving personnel must report all apparent damages and discrepancies immediately by telephone to the nearest office of the delivering TSP, with prompt confirmation in writing. The TSP should be asked to inspect the damaged or discrepant shipment within 48 hours

(Saturdays, Sundays, and holidays excluded). TSP inspection reports are considered the best information obtainable on the character and extent of damages. If the TSP waives inspection, the responsible TSP official's name should be recorded, along with the name of the Postal Service person who received that waiver.

244.93 **Receiving and Reporting Concealed Damage**

244.931 **National Freight Claim Council Rules**

Failure of the consignee to follow the procedures outlined below will be regarded as indicating delivery of the freight in good condition under National Freight Claim Council rules.

244.932 **Claim Validation**

National Freight Claim Council rules state that concealed loss or damage should be reported within 15 days of shipment; however, that rule should not be construed as preventing a consignee from reporting a problem discovered more than 15 days following delivery. A claim for concealed loss or damage is as valid as a claim for apparent loss or damage when it can be shown clearly that there was no possibility of the damage having occurred after the goods left the TSP's custody.

244.933 **TSP Notification**

The designated receiving personnel for the consignee should notify the local TSP office of loss or damage immediately upon discovery, via a telephone call that is confirmed in writing. Inspection within 48 hours (excluding Saturdays, Sundays, and holidays) should be requested. The notification to the TSP must contain a complete description of the shipment, including BL number, name of consignor, point of origin, date of shipment, commodity shipped, date of delivery, and nature of concealed damage or shortage. All pertinent facts must be explicitly documented, as this type of claim is the most difficult to settle and the TSP's liability must be proven.

244.934 **TSP Inspection**

The TSP's inspection report must be prepared in duplicate. Both the TSP's copy and the consignee's copy must be signed by the TSP's agent and the designated receiving personnel. The TSP provides the authorized Postal Service receiving personnel a copy of the TSP inspection report. If the TSP declines to inspect the material, the designated receiving personnel's report to the TSP is accepted in the claim file as the TSP's inspection.

244.94 **Processing Receipt Documentation**

All copies of receiving documents and contracts or purchase orders for purchased material will be initialed, dated, and filed by the designated receiving personnel. A copy of the receiving documents must be forwarded to the San Mateo ASC or, if so directed, through the purchasing office to the ASC. The Postal Service will obtain prompt payment discounts and avoid penalty interest charges for late payments if receiving documents are distributed immediately. In conjunction with receiving report verification, the date and quantity of items received may be posted on PS Form 1586, *Supply Record* (see [Exhibit 244.94](#)), or on the automated database.

25 Processing Over, Short, and Damage (OS&D) Claims

251 Processing Criteria

Receipts will be checked by the receiving personnel when items are off-loaded from trucks and conditions noted at that time. Damaged material and overages are held as a receipt to dock and not processed to stock or delivery to a customer until there is a resolution of the discrepancies.

Recording and processing OS&D information will be based on FOB origin or FOB destination criteria. The delivery receipt should show the FOB point as either the origin or the destination. If you are the receiving person and uncertain whether a shipment is FOB origin or FOB destination, you should contact your MSC for assistance and have receiving document available for discussion.

252 FOB Destination

FOB destination shipment OS&D claims are processed by the vendor. When action is required, the designated receiving personnel must record shipment data in the OS&D claims log and notify the contracting officer. The contracting officer will specify what documentary evidence must be provided to the vendor. The TSP's local office must be notified by telephone within 48 hours (excluding Saturdays, Sundays, and holidays). Written notification should follow, with copies sent to the vendor and the contracting officer.

253 FOB Origin

FOB origin OS&D claims are processed by Postal Service contractor, Team Logistics, Inc. Designated receiving personnel must report in writing all damaged shipments and all storage FOB origin shipments to Team Logistics, Inc., within 30 days of receipt. Supporting documentation must include the following:

- a. Properly annotated and signed copies of the delivery documents.
- b. A copy of the applicable BL.
- c. The carrier's inspection report.
- d. An itemized original invoice when repair is arranged by the designated receiving personnel and performed by a retail vendor, and repair costs exceed \$50. Designated receiving personnel must process payment of such invoices. If an original invoice is not available, a copy may be provided as long as it bears the following signed certification:

I certify that the services were performed or the goods received and payment has been made.

Signature

Title

Date

- e. Itemized repair cost estimate when total repair costs will exceed 50 percent of the value.
 - f. Photographs taken as documentation (keep a copy in your file).
 - g. A copy of purchasing document showing value of the damaged item.
- Field activity is required to retain claim supporting documentation with BL file copy.

254 **Recovery Amounts for OS&D Claims**

Air freight forwarders and electronics van line TSPs have limited liability for loss or damage. Claim amounts for air freight shipments usually cannot exceed 50 cents per pound. Electronics van line TSPs limit their liability to 60 cents per pound. Less-than-truckload, truckload, and rail TSPs are responsible for the full actual cost of the shipment value unless the shipment is made on a "released valuation" rate. All TSPs are released from liability for loss or damage in cases of "acts of God" and other exclusions shown on the back of the TSP's BL form. If questions arise about liability for loss or damage to a shipment, ask the TSP's customer service representative or your MSC.

255 **Processing of OS&D Claims by Team Logistics**

Postal Service shipments traveling on Postal Service BL (including FOB origin shipments from suppliers) may arrive at destination in damaged condition or without the number of pieces (cartons, skids, etc.) originally shipped. Also, shipments are sometimes lost in their entirety. The Postal Service has a very good record of avoiding these situations; however, good receiving procedures do sometimes reveal a loss or damage.

The Postal Service has contracted its freight loss/damage process to Team Logistics, Inc. Team Logistics collects the documents and other evidence needed for successful claim filing, then does the actual filing with the transportation company and follows through with collection of money from the carrier to cover the Postal Service's loss. Monies collected are returned to the finance number of the facility suffering the loss.

Postal Service employees who initially discover a freight loss or damage should contact the following immediately:

MR CHUCK LEJEUNESSE
TEAM LOGISTICS INC
1229 MINTMERE DRIVE
COLLIERVILLE TN 38017-0357

Telephone: 901-861-0002

Fax: 901-861-0019

e-mail: paper_caboose@teamlogisticsCorp.com

Team Logistics, Inc., will request that documents from the Postal Service facility reporting the claim include delivery receipt, photographs, commodity pricing information, etc. Team Logistics, Inc. will advise particular documents required.

256 **Disposing of Authorized Salvage and Replacement of Material**

256.1 **Disposal of Material**

When salvage of extensively damaged goods is authorized by Team Logistics, Inc., the designated receiving personnel must notify the carrier that the material will be discarded if it is not picked up within 15 days. If the carrier decides to pick up the goods, the designated receiving personnel must obtain a receipt for them and forward the receipt to Team Logistics for inclusion in the claim file.

256.2 **Replacement of Material**

Replacement of damaged or salvaged goods is not automatic; if replacement is required, a requisition must be submitted through normal channels.

257 **Errors**

257.1 **Items Ordered or Shipped in Error**

Items ordered or shipped in error from one of the central supply sources (MDC, GSA, or DLA) or a local vendor may be returned for credit. Prior to returning items, contact the agency for return authorization (see chapter [6](#)).

257.2 **Defective Items**

For defective items (as opposed to non-defective items that have been lost or damaged) covered by manufacturer's warranty, the activity should attempt to resolve all complaints through an appropriate vendor's representative. Contact the appropriate local buying representative or contracting officer for further guidance if the vendor refuses to correct or fails to replace a defective item or an aspect of the service under the warranty.

258 **Quality Assurance Procedures**

Items of inventory that are marked or identified as requiring quality assurance (QA) inspection will be evaluated in accordance with local QA procedures. Items not requiring QA inspection and meeting contract or purchase order specifications will be processed to storage or turned over to customers as appropriate. Items eventually passed by QA will be processed in the same way as items that don't require a QA inspection.

Exhibit 216.1
PSBL Form

U.S. POSTAL SERVICE BILL OF LADING													
REQUESTOR INFORMATION													
PSBL #: G8917801 Name: DEVINETH-THOMAS H DEVINE Prepared: 1/19/2005 8:34:4 GMT				E-mail: thomas.h.devine@usps.gov Phone: 2022685783 Fax:			BILL CHARGES TO USPS C/O National Traffic Services 151 John James Audubon Pkwy. Amherst, NY 14228-1185						
ORIGIN					DESTINATION								
FEDSTRIP: Name: U. S. POSTAL SERVICE Address: 6013 BENJAMIN RD- REAR USPS TAMPA, FL 336349997 Contact: BILL SPANGLER Phone: 8138893913 Ext:					FEDSTRIP: Name: USPS Address: 850 TWIN RIVERS DRIVE USPS COLUMBUS, OH 432169998 Contact: DOROTHY JOHNSON Phone: 6144720431 Ext:								
CONSIGNOR					CONSIGNEE								
FEDSTRIP: Name: U. S. POSTAL SERVICE Address: 6013 BENJAMIN RD- REAR USPS TAMPA, FL 336349997 Contact: BILL SPANGLER Phone: 8138893913 Ext:					FEDSTRIP: Name: USPS Address: 850 TWIN RIVERS DRIVE USPS COLUMBUS, OH 432169998 Contact: DOROTHY JOHNSON Phone: 6144720431 Ext:								
ITEM INFORMATION													
PSN/PSIN	Quantity	Item Description	Weight (lbs.)	Length (in.)	Width (in.)	Height (in.)	Container Type	Hazardous					
	1	ELECTRONIC AUTOMATION EQUIPMENT	17500				LSE	☐					
Total Weight(lbs.):				17500									
Total Number of packages: 1 Moving as (enter no. of skids): 0 ☐ Capital Items													
Loading and Unloading Information													
Shipper's Dock ☐ Ground Level ☒ Truck Level ☐ Obstructions			Receiver's Dock ☐ Ground Level ☒ Truck Level ☐ Obstructions			Hours of Operation: 24 hour time Origin Monday to Friday From: 1000 To:							
						Destination Monday to Friday From: 1200 To: 1600							
Notes: Equipment Code: Accessorial Equipment:													
Carrier Information SCAC: SPCG Name: SPECIALIZED TRANSPORTATION INC Tender Number: 167 Phone: (888)716-8090			Finance Information Finance #: 660670 Contract #: LETTER QUOTE Postal Account #: 52801 Mileage: 1045			Requesting Office Information Request Date: 1/19/2005 0:0:0 Request Office: WASHINGTON DC NATL SUPPLY Request Office Zip Code: 202604547 Area/District BA Code: 6L / 184							
Comments: 2ND CONTACT PERSON AT RECEIVING LOCATION IS ED HATZER 614-472-0410. MONDAY THRU FRIDAY.													
Terms and conditions of PSBL are listed in regulation 41 CFR 102-117 & 118 (Code of Federal Regulations).													
Carrier Signature:			Date Pickup:			Date Delivered:							
<table border="1" style="margin: auto;"> <tr> <td style="padding: 5px;">PSBL #</td> <td style="padding: 5px;">Finance #</td> </tr> <tr> <td style="padding: 5px; text-align: center;">G8917801</td> <td style="padding: 5px; text-align: center;">660670</td> </tr> </table>		PSBL #	Finance #	G8917801	660670								
PSBL #	Finance #												
G8917801	660670												

Exhibit 221.1

Sample BL Register

BILL OF LADING REGISTER							
BL NO.	ROUTE ORDER NO.	ORIGIN/SHIPPER DESTINATION/CONSIGNEE	CARRIER	WEIGHT	DATE ISSUED	REQUESTING AUTHORITY (PO/Contract No./7340)	DATE BL CERTIFIED
C-3,865,561	RR	USPS 2970 Market Street Philadelphia, PA 19104-9997 Consignee: USPS 1425 Crooked Hill Road Harrisburg, PA 17107-9997	Preston Trucking Co.	22500	7/27/94	Memo (7381)	7/27/94

NOTE: Earlier versions of this form titled "Government Bill of Lading Register" may be used.

Exhibit 221.8

BL Request Form

BL Request Form													
Date: _____													
To: _____ Name _____ Office _____ Street _____ City/State/ZIP+4 _____	From: _____ Name _____ Office _____ Street _____ City/State/ZIP+4 _____ Telephone _____												
Request you provide BLs for shipment of items as indicated below:													
Ship From: (Origin) Name _____ Street _____ City/State/ZIP+4 _____ Contact Name & Phone Number _____	Ship To: (Destination/Consignee) Name _____ Street _____ City/State/ZIP+4 _____ Receiving Custodian Name & Phone Number _____												
If Capital, include ID Number: _____ PCN: _____ Yes ☐ No ☐ Is Form 7340, <i>Shipping Instruction for Excess Property</i>, required? ☐ ☐													
Property to be Shipped: (Description) _____ PSIN: _____													
Quantity: _____ <table style="width: 100%; text-align: center;"> <tr> <td>☐</td> <td>☐</td> <td>☐</td> <td>☐</td> <td>☐</td> <td>☐</td> </tr> <tr> <td>Carton</td> <td>Pallet</td> <td>Crate</td> <td>Box</td> <td>Piece</td> <td>Other</td> </tr> </table>		☐	☐	☐	☐	☐	☐	Carton	Pallet	Crate	Box	Piece	Other
☐	☐	☐	☐	☐	☐								
Carton	Pallet	Crate	Box	Piece	Other								
Item is: _____ <table style="width: 100%; text-align: center;"> <tr> <td>☐</td> <td>☐</td> <td>☐</td> <td>☐</td> </tr> <tr> <td>Knocked Down</td> <td>Set Up</td> <td>Wood</td> <td>Steel</td> </tr> </table>		☐	☐	☐	☐	Knocked Down	Set Up	Wood	Steel				
☐	☐	☐	☐										
Knocked Down	Set Up	Wood	Steel										
(Check appropriate boxes. If 'Other' is checked, describe packaging:) _____													
Unit Weight _____ Total Weight _____ Comments/Special Requirements: _____ Include PO No. or Other Authority _____													
Recommended Transportation <table style="width: 100%; text-align: center;"> <tr> <td>☐</td> <td>☐</td> <td>☐</td> <td>☐</td> <td>☐</td> </tr> <tr> <td>LTL</td> <td>TL</td> <td>Expedited</td> <td>Air</td> <td>HHG</td> </tr> </table>		☐	☐	☐	☐	☐	LTL	TL	Expedited	Air	HHG		
☐	☐	☐	☐	☐									
LTL	TL	Expedited	Air	HHG									
Mechanic's Certification: (for used mechanical equipment) I certify that the equipment for which transportation is requested is serviceable.													
_____ Mechanic's Signature & Title _____ Date													

Exhibit 223

Bill of Lading Correction Notice**Bill of Lading Correction Notice****BILL OF LADING CORRECTION NOTICE**

Date Notice Prepared

1. BL Number
2. Date BL was issued
3. Total weight shown on BL
4. Origin (As shown in "Origin" block on BL.)
5. Destination (As shown in "Destination" block on BL.)
6. Route (Complete routing shown on BL.)
7. Issuing Office (As shown on BL under "For Use of Issuing Office.")
8. To: (Name & address of carrier to which directed, including ZIP.)
9. Complete items 9a, b, c only when correction is made after transportation charges have been paid.
 - a. D.O. Voucher Number
 - b. D.O. Voucher Date
 - c. D.O. Symbol
10. From: (Full name & address of the activity initiating the notice, including ZIP.)
11. Bill of Lading Now Reads (Show the information as it reads prior to correction.)
12. Correct Bill of Lading to Read (Corrected information should read.)
13. Authority for Correction (Tender or tariff & item numbers; classification & item number; or other authority for making change.)
14. Remarks (Pertinent information not otherwise provided on form. If more space is required, use reverse side of this form.)
15. Information Copy To (Name & address, including ZIP)
16. Signature & Title of Initiating Official
17. Carrier Representative's Signature (Required when notice is initiated by shipper & transportation charges are affected.)

Exhibit 224

Sample Instruction Letter to Vendor for BL Shipments**NAME AND ADDRESS OF ISSUING OFFICER**

Date**To (Name of Vendor):**

The following instructions for shipping USPS freight must be observed.

Careful compliance with these instructions ensures prompt delivery and facilitates payment to carriers and vendors. Changes to the attached bill of lading are not permitted without prior approval of the issuing officer.

1. Call the carrier designated on the bill of lading for shipment pick-up.
2. When the freight is loaded, have the driver add the following entries:
 - a. Carrier's Pickup Date.
 - b. Signature of Agent (Carrier Company Name).
 - c. Per (Driver to initial in this block).
3. Retain signed copy of BL, shipping order, or manifest in Consignor's local files.

Your cooperation and compliance with these instructions are appreciated.

Signature of Issuing Officer

Exhibit 234

Shipping Request

FROM: _____

DATE: _____

PHONE: _____

COMMERCIAL: _____

TO: MATERIAL DISTRIBUTION
US POSTAL SERVICE
475 L'ENFANT PLAZA SW RM 4541
WASHINGTON DC 20260-6225
FAX: 202-268-5756

SUBJECT: Request for Shipping Instructions/Route Order Request

1. Contract or PO No., etc.: _____ FOB Point: _____
(ATTACH COPY OF PO/DO, etc.) DO 240798-86-M-0050

2. Shipper: _____

3. Consignee: _____

4. USPS Item or Commodity Description: _____

(Complete description: Use PS Item Number or National Motor Freight Classification. Indicate quantity and weight of each different item and packaging as prepared for shipment.)

5. Total Weight: _____ lb. Total Cube: _____

6. Additional Information (BL numbers if assigned, or other pertinent data):

Signature and Title of Requester

Exhibit 235e (p. 2)

PS Form 4805, Work Record Sheet

Breakdown Cause Codes (Positions 24 and 25)		Action Taken Codes (Positions 26 through 28)										Maintenance Manhours Expended			
External to Equipment		Second and Third Positions (Noun)										Anticipated Parts/Supplies Usage			
NSN/OEM	Description	Qty.	Cost	Start (Hour AM/PM)	Stop (Hour AM/PM)	Date	Employee Signature	Labor Code	Labor Level	Hours					
1A. Jams	Adjust/Align/Calibrate														
1B. Power Failed	Check/Repair/Replace														
1C. Sensor Malfunction	Check/Repair/Replace														
1D. Power/Electrical	Check/Repair/Replace														
1E. Improper Operation	Check/Repair/Replace														
2A. Short Circuit	Check/Repair/Replace														
2B. Out of Adjustment	Check/Repair/Replace														
3A. Blown	Check/Repair/Replace														
3B. Broken	Check/Repair/Replace														
3C. Bent	Check/Repair/Replace														
3D. Burned	Check/Repair/Replace														
3E. Cracked	Check/Repair/Replace														
3F. Deformed	Check/Repair/Replace														
3G. Frayed	Check/Repair/Replace														
3H. Missing	Check/Repair/Replace														
3I. Out of Tolerance	Check/Repair/Replace														
3J. Worn	Check/Repair/Replace														
3K. Ripped	Check/Repair/Replace														

PS Form 4805, June 1989 (Reverse)

Exhibit 237.32

Shipper's Security Endorsement**Shipper's Security Endorsement**

I certify that this shipment does not contain any unauthorized explosives, destructive devices, or hazardous materials. I consent to a search of this shipment. I am aware that this endorsement and my original signature, along with other shipping documents, will be retained on file until the shipment is delivered.

Shipper's Signature: _____
(Signed in presence of carrier's agent)

Shipper's Printed Name: _____
First MI Last

Shipper's Telephone No.: _____

Shipper's Facility and ZIP+4: _____

First Form of Identification Reviewed:

Second Form of Identification Reviewed:

Type of ID: _____

Type of ID: _____

Matching Photo: Yes No

Matching Photo: Yes No

Number on ID: _____

Number on ID: _____

Note: At least one ID must contain a photo.

Air Cargo Carrier: _____

Air Cargo Carrier's Waybill Number: _____

USPS Bill of Lading Number: _____

This signed document is required for all shipments moving via passenger aircraft per Federal Aviation Administration, Aviation Security Division, Security Directive 96-03, issued July 25, 1996, and effective August 9, 1996.

Attach a photocopy to the memorandum copy of the BL and retain at origin. Attach the original onto the shipment using a self-stick envelope (provided by air cargo carrier) for presentation to the air carrier.

Exhibit 243.1

Stockroom Pending Receipt File**Stockroom Pending Receipt File****Examples: PS Forms**

File purchasing and receiving documents for capital and expense equipment items ordered but not yet received.

7339, *Shipping Instructions for Material in Storage*
7340, *Shipping Instruction for Excess Property*
7380, *MDC Supply Requisition*
7381, *Requisition for Supplies, Services, or Equipment*

Examples: Standard Forms

344, *Multiuse Standard Requisitioning/Issue System Document*
1103-B, blue copy (consignee) of GBL
Credit card purchases
Purchase order/delivery order

Receiving Log

OS&D CLAIM LOG

Exhibit 244.821

GSA Form 1348-1A, Issue Release/Receipt Document

1										2										3																																																	
TOTAL PRICE										SHIPPED FROM										SHIP TO																																																	
UNIT PRICE										DOLLARS										CTS																																																	
DOLLARS										CTS																																																											
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521										521																																																											
4. MARK FOR:																																																																					
24. DOCUMENT NUMBER & SUFFIX (30-44)										5. DOC DATE										6. NMFC										7. FRT RATE										8. TYPE CARGO										9. PS																			
1831F8-4134-0001										94143																																																											
25. NATIONAL STOCK NUMBER & ADD (8-22)										10. QTY REC'D										11. UPK										12. UNIT WT.										13. UNIT CU										14. UFC										15. SL									
																				1.250																				.041																													
16. FREIGHT CLASSIFICATION NOMENCLATURE																																																																					
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17. ITEM NOMENCLATURE																																																																					
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18. TY CONT										19. NO CONT										20. TOTAL WEIGHT										21. TOTAL CUBE																																							
CT																				1.250										.041																																							
22. RECEIVED BY																				23. DATE REC'D																																																	
26. IUC (4-6) UI (23-24) QTY (25-29) COND (71) DIST (55-56) UP (74-80)																				SELECT LOC										QTY										CP																													
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27. ADDITIONAL INFORMATION																				UNPK										FPD DAC PSN TC										BIN										BULK																			
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FOR DISCREPANCY REPORTING CALL 1-800-488-3111 7 AM - 5:30 PM CENTRAL TIME																																																																					
GSA FORM 1348-1A REV 10/91 ISSUE RELEASE/RECEIPT DOCUMENT																																																																					

PAGE 4909

1										2										3																																																	
TOTAL PRICE										SHIPPED FROM										SHIP TO																																																	
UNIT PRICE										DOLLARS										CTS																																																	
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521										521																																																											
4. MARK FOR:																																																																					
24. DOCUMENT NUMBER & SUFFIX (30-44)										5. DOC DATE										6. NMFC										7. FRT RATE										8. TYPE CARGO										9. PS																			
1831F8-4134-0001										94143																																																											
25. NATIONAL STOCK NUMBER & ADD (8-22)										10. QTY REC'D										11. UPK										12. UNIT WT.										13. UNIT CU										14. UFC										15. SL									
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GSA FORM 1348-1A REV 10/91																																																																					

PAGE 4909

Exhibit 244.822a

GSA Standard Form 364, Report of Discrepancy (wrong item received)

REPORT OF DISCREPANCY (ROD)				1. DATE OF PREPARATION		2. REPORT NUMBER	
☐ SHIPPING ☐ PACKAGING				November 8, 1994			
3. TO (Name and address, include ZIP Code) GSA Discrepancy Reports Center 1500 E. Bannister Road Kansas City, MO 64131-3088				4. FROM (Name and address, include ZIP Code) USPS, 30595 Trabuco Canyon Road Trabuco Canyon, CA 92678-9998			
5a. SHIPPER'S NAME GSA, Supply Depot, Stockton, CA				5b. NUMBER AND DATE OF INVOICE		6. TRANSPORTATION DOCUMENT NUMBER (GBL, Waybill, TCN, etc.) G-6,969,696	
7a. SHIPPER'S NUMBER (Purchase Order/Shipment, Contract, etc.)		7b. OFFICE ADMINISTERING CONTRACT			8. REQUISITIONER'S NUMBER (Requisition, Purchase Request, etc.) 1891VP-4270-0004		
9. SHIPMENT, BILLING, AND RECEIPT DATA					10. DISCREPANCY DATA		11. ACTION CODE
NSN/PART NUMBER AND NOMENCLATURE (a)	UNIT OF ISSUE (b)	QUANTITY SHIPPED/BILLED (c)	QUANTITY RECEIVED (d)	QUANTITY (a)	UNIT PRICE (b)	TOTAL COST (c)	CODE ¹ (d)
Ordered 7530-00-052-7919 Paper, Computer	BX	3	0	3	24.40	73.20	W1
Received 8105-01-011-2565 Bag, Plastic	BX	0	3	3	21.50	64.50	
12. REMARKS (Continue on separate sheet of paper if necessary)							
Received three boxes of plastic bags instead of three boxes of computer paper. We wish to return these plastic bags. Point of Contact: Guy Humphries (714) 858-9364							
¹ DISCREPANCY CODES				² ACTION CODES			
CONDITION OF MATERIAL C1 — In condition other than that indicated on release/receipt document C2 — Expired shelf life C3 — Damaged parcel post shipment SUPPLY DOCUMENTATION D1 — Not received D2 — Illegible or mutilated D3 — Incomplete improper or without authority (Only when receipt cannot be properly processed) MISDIRECTED MATERIAL M1 — Addressed to wrong activity OVERAGE/DUPLICATE SHIPMENTS O1 — Quantity in excess of that on receipt document O2 — Quantity in excess of that requested (Other than unit of issue pack) O3 — Quantity duplicates shipment PACKING DISCREPANCY P1 — Improper preservation P2 — Improper packing P3 — Improper marking P4 — Improper unitization				PRODUCT QUALITY DEFICIENCIES Q1 — Deficient material (Applicable to Grant Aid and FMS shipments only) SHORTAGE OF MATERIAL S1 — Quantity less than that on receipt document S2 — Quantity less than that requested (Other than unit of issue pack) S3 — Non-receipt of parcel post shipments ITEM TECHNICAL DATA MARKINGS (i.e., Name Plates, Log Books, Operating Handbooks, Special Instructions, etc.) T1 — Missing T2 — Illegible or mutilated T3 — Precautionary operational markings missing T4 — Inspection data missing or incomplete T5 — Serviceability operating data missing or incomplete T6 — Warranty data missing WRONG ITEM (Identify requested item as a separate copy in Item 9 above) W1 — Incorrect item received W2 — Unacceptable substitute OTHER DISCREPANCIES Z1 — See remarks			
13. FUNDING AND ACCOUNTING DATA				1A — Disposition instructions requested (Reply on reverse) 1B — Material being retained (See remarks) 1C — Supporting supply documentation requested 1D — Material still required expedite shipment (Not applicable to FMS) 1E — Local purchase material to be returned at supplier's expense unless disposition instructions to the contrary are received within 15 days (Reply on reverse) (Not applicable to FMS) 1F — Replacement shipment requested (Not applicable to FMS) 1G — Reshipment not required. Item to be re-requisitioned. 1H — No action required. Information only 1Z — Other action requested (See remarks)			
14a. TYPED OR PRINTED NAME, TITLE, AND PHONE NUMBER OF PREPARING OFFICIAL Guy Humphries, MAO (714) 858-9364				14b. SIGNATURE			
15. DISTRIBUTION ADDRESSEES FOR COPIES							

364-103
7540-00-159-4442
(Previous edition is obsolete.)
STANDARD FORM 364 (REV. 2-80)
Prescribed by GSA FPMR 101-26.8

Exhibit 244.822b

GSA Standard Form 364, Report of Discrepancy (shortage)

REPORT OF DISCREPANCY (ROD)				1. DATE OF PREPARATION		2. REPORT NUMBER	
☐ SHIPPING ☐ PACKAGING				October 31, 1994			
3. TO (Name and address, include ZIP Code)				4. FROM (Name and address, include ZIP Code)			
GSA Discrepancy Reports Center 1500 E. Bannister Road Kansas City, MO 64131-3088				USPS, 520 Avenida Pico San Clemente, CA 92672-9998			
5a. SHIPPER'S NAME				5b. NUMBER AND DATE OF INVOICE		6. TRANSPORTATION DOCUMENT NUMBER (GBL, Waybill, TCN, etc.)	
GSA, Supply Depot, Stockton, CA						H-2, 345, 678	
7a. SHIPPER'S NUMBER (Purchase Order/shipment, Contract, etc.)		7b. OFFICE ADMINISTERING CONTRACT			8. REQUISITIONER'S NUMBER (Requisition, Purchase Request, etc.)		
					18917E-4273-0011		
9. SHIPMENT, BILLING, AND RECEIPT DATA						10. DISCREPANCY DATA	
NSN/PART NUMBER AND NOMENCLATURE (a)		UNIT OF ISSUE (b)	QUANTITY SHIPPED/BILLED (c)	QUANTITY RECEIVED (d)	QUANTITY (a)	UNIT PRICE (b)	TOTAL COST (c)
7510-00-935-7173		HD	43	40	3	29.50	88.50
							CODE ¹ (d)
							11. ACTION CODE (e)
							1g
12. REMARKS (Continue on separate sheet of paper if necessary)							
1348-1 indicates that 43 HD were shipped. Only 40 HD were received. Please provide credit for 3 HD not received. Point of Contact: Pete Raith (714) 492-3494							
1 DISCREPANCY CODES						2 ACTION CODES	
CONDITION OF MATERIAL C1 — In condition other than that indicated on release/receipt document C2 — Expired shelf life C3 — Damaged parcel post shipment SUPPLY DOCUMENTATION D1 — Not received D2 — Illegible or mutilated D3 — Incomplete improper or without authority (Only when receipt cannot be properly processed) MISDIRECTED MATERIAL M1 — Addressed to wrong activity OVERAGE/DUPLICATE SHIPMENTS O1 — Quantity in excess of that on receipt document O2 — Quantity in excess of that requested (Other than unit of issue pack) O3 — Quantity duplicates shipment PACKING DISCREPANCY P1 — Improper preservation P2 — Improper packing P3 — Improper marking P4 — Improper unitization				PRODUCT QUALITY DEFICIENCIES Q1 — Deficient material (Applicable to Grant Aid and FMS shipments only) SHORTAGE OF MATERIAL S1 — Quantity less than that on receipt document S2 — Quantity less than that requested (Other than unit of issue pack) S3 — Non-receipt of parcel post shipments ITEM TECHNICAL DATA MARKINGS (i.e., Name Plates, Log Books, Operating Handbooks, Special Instructions, etc.) T1 — Missing T2 — Illegible or mutilated T3 — Precautionary operational markings missing T4 — Inspection data missing or incomplete T5 — Serviceability operating data missing or incomplete T6 — Warranty data missing WRONG ITEM (Identify requested item as a separate copy in Item 9 above) W1 — Incorrect item received W2 — Unacceptable substitute OTHER DISCREPANCIES Z1 — See remarks		1A — Disposition instructions requested (Reply on reverse) 1B — Material being retained (See remarks) 1C — Supporting supply documentation requested 1D — Material still required expedite shipment (Not applicable to FMS) 1E — Local purchase material to be returned at supplier's expense unless disposition instructions to the contrary are received within 15 days (Reply on reverse) (Not applicable to FMS) 1F — Replacement shipment requested (Not applicable to FMS) 1G — Reshipment not required. Item to be re-requisitioned. 1H — No action required. Information only 1Z — Other action requested (See remarks)	
13. FUNDING AND ACCOUNTING DATA							
14a. TYPED OR PRINTED NAME, TITLE, AND PHONE NUMBER OF PREPARING OFFICIAL				14b. SIGNATURE			
Pete Raith, MAO (714) 667-6774							
15. DISTRIBUTION ADDRESSEES FOR COPIES							

364-103

7540-00-159-4442

(Previous edition is obsolete.)

STANDARD FORM 364 (REV. 2-80)
Prescribed by GSA FPMR 101-26.8

Exhibit 244.822c

GSA Standard Form 364, Report of Discrepancy (supply documents missing)

REPORT OF DISCREPANCY (ROD)				1. DATE OF PREPARATION		2. REPORT NUMBER	
☐ SHIPPING ☐ PACKAGING				November 8, 1994			
3. TO (Name and address, include ZIP Code)				4. FROM (Name and address, include ZIP Code)			
GSA Discrepancy Reports Center 1500 E. Bannister Road Kansas City, MO 64131-3088				USPS, 2201 N. Grand Avenue Santa Ana, CA 92711-9998			
5a. SHIPPER'S NAME				5b. NUMBER AND DATE OF INVOICE		6. TRANSPORTATION DOCUMENT NUMBER (GBL, Waybill, TCN, etc.)	
GSA/CSC Stockton, CA							
7a. SHIPPER'S NUMBER (Purchase Order/shipment, Contract, etc.)		7b. OFFICE ADMINISTERING CONTRACT			8. REQUISITIONER'S NUMBER (Requisition, Purchase Request, etc.)		
					189KA9-4290-0031		
9. SHIPMENT, BILLING, AND RECEIPT DATA					10. DISCREPANCY DATA		
NSN/PART NUMBER AND NOMENCLATURE (a)	UNIT OF ISSUE (b)	QUANTITY SHIPPED/BILLED (c)	QUANTITY RECEIVED (d)	QUANTITY (a)	UNIT PRICE (b)	TOTAL COST (c)	CODE ¹ (d)
5120-00-221-7947 Pencil, Lead	DZ	144	144	144	4.80	691.20	D1
11. ACTION CODE 1H or 1C							
12. REMARKS (Continue on separate sheet of paper if necessary)							
Supply documents not received with materiel. Please furnish supply documentation. Point of Contact: Robert Ruegger (714) 667-6774							
1 DISCREPANCY CODES				2 ACTION CODES			
CONDITION OF MATERIAL C1 - In condition other than that indicated on release/receipt document C2 - Expired shelf life C3 - Damaged parcel post shipment SUPPLY DOCUMENTATION D1 - Not received D2 - Illegible or mutilated D3 - Incomplete improper or without authority (Only when receipt cannot be properly processed) MISDIRECTED MATERIAL M1 - Addressed to wrong activity OVERAGE/DUPLICATE SHIPMENTS O1 - Quantity in excess of that on receipt document O2 - Quantity in excess of that requested (Other than unit of issue pack) O3 - Quantity duplicates shipment PACKING DISCREPANCY P1 - Improper preservation P2 - Improper packing P3 - Improper marking P4 - Improper unitization				PRODUCT QUALITY DEFICIENCIES Q1 - Deficient material (Applicable to Grant Aid and FMS shipments only) SHORTAGE OF MATERIAL S1 - Quantity less than that on receipt document S2 - Quantity less than that requested (Other than unit of issue pack) S3 - Non-receipt of parcel post shipments ITEM TECHNICAL DATA MARKINGS (i.e., Name Plates, Log Books, Operating Handbooks, Special Instructions, etc.) T1 - Missing T2 - Illegible or mutilated T3 - Precautionary operational markings missing T4 - Inspection data missing or incomplete T5 - Serviceability operating data missing or incomplete T6 - Warranty data missing WRONG ITEM (Identify requested item as a separate copy in Item 9 above) W1 - Incorrect item received W2 - Unacceptable substitute OTHER DISCREPANCIES Z1 - See remarks			
1A - Disposition instructions requested (Reply on reverse)				1B - Material being retained (See remarks)			
1C - Supporting supply documentation requested				1D - Material still required expedite shipment (Not applicable to FMS)			
1E - Local purchase material to be returned at supplier's expense unless disposition instructions to the contrary are received within 15 days (Reply on reverse) (Not applicable to FMS)				1F - Replacement shipment requested (Not applicable to FMS)			
1G - Reshipment not required. Item to be re-requisitioned.				1H - No action required. Information only			
1I - Other action requested (See remarks)							
13. FUNDING AND ACCOUNTING DATA							
14a. TYPED OR PRINTED NAME, TITLE, AND PHONE NUMBER OF PREPARING OFFICIAL				14b. SIGNATURE			
Robert Ruegger, Supply Clerk (714) 667-6774							
15. DISTRIBUTION ADDRESSEES FOR COPIES							
364-103 7540-00-159-4442 (Previous edition is obsolete.) STANDARD FORM 364 (REV. 2-80) Prescribed by GSA FPMR 101-26.8							

Exhibit 244.822d

GSA Standard Form 364, Report of Discrepancy (expired shelf life)

REPORT OF DISCREPANCY (ROD)				1. DATE OF PREPARATION		2. REPORT NUMBER			
☐ SHIPPING ☐ PACKAGING				November 8, 1994					
3. TO (Name and address, include ZIP Code) GSA Discrepancy Reports Center 1500 E. Bannister Road Kansas City, MO 64131-3088				4. FROM (Name and address, include ZIP Code) USPS, 1133 Camelback Street Newport Beach, CA 92658-9998					
5a. SHIPPER'S NAME GSA, Supply Depot, Stockton, CA				5b. NUMBER AND DATE OF INVOICE		6. TRANSPORTATION DOCUMENT NUMBER (GBL, Waybill, TCN, etc.) C-1,123,456			
7a. SHIPPER'S NUMBER (Purchase Order/Shipment, Contract, etc.)		7b. OFFICE ADMINISTERING CONTRACT			8. REQUISITIONER'S NUMBER (Requisition, Purchase Request, etc.) 18914N-4260-0020				
9. SHIPMENT, BILLING, AND RECEIPT DATA					10. DISCREPANCY DATA			11. ACTION CODE	
NSN/PART NUMBER AND NOMENCLATURE (a)	UNIT OF ISSUE (b)	QUANTITY SHIPPED/BILLED (c)	QUANTITY RECEIVED (d)	QUANTITY (a)	UNIT PRICE (b)	TOTAL COST (c)	CODE ¹ (d)	ACTION CODE	
5120-00-221-7947 Paint, blue #3042 Manufacturer - Rose Talber Paint, contract GS10F 14532 Lot No. 10052 Date of Mfg. 12-90	GL	36	36	36	9.80	352.80	C2	1A	
12. REMARKS (Continue on separate sheet of paper if necessary) Materiel received with expired shelf life. Please provide authorization to return this materiel. Point of Contact: David Johnson (714) 640-8720									
¹ DISCREPANCY CODES					² ACTION CODES				
CONDITION OF MATERIAL C1 — In condition other than that indicated on release/receipt document C2 — Expired shelf life C3 — Damaged parcel post shipment SUPPLY DOCUMENTATION D1 — Not received D2 — Illegible or mutilated D3 — Incomplete improper or without authority (Only when receipt cannot be properly processed) MISDIRECTED MATERIAL M1 — Addressed to wrong activity OVERAGE/DUPLICATE SHIPMENTS O1 — Quantity in excess of that on receipt document O2 — Quantity in excess of that requested (Other than unit of issue pack) O3 — Quantity duplicates shipment PACKING DISCREPANCY P1 — Improper preservation P2 — Improper packing P3 — Improper marking P4 — Improper unitization					PRODUCT QUALITY DEFICIENCIES Q1 — Deficient material (Applicable to Grant Aid and FMS shipments only) SHORTAGE OF MATERIAL S1 — Quantity less than that on receipt document S2 — Quantity less than that requested (Other than unit of issue pack) S3 — Non-receipt of parcel post shipments ITEM TECHNICAL DATA MARKINGS (i.e., Name Plates, Log Books, Operating Handbooks, Special Instructions, etc.) T1 — Missing T2 — Illegible or mutilated T3 — Precautionary operational markings missing T4 — Inspection data missing or incomplete T5 — Serviceability operating data missing or incomplete T6 — Warranty data missing WRONG ITEM (Identify requested item as a separate copy in Item 9 above) W1 — Incorrect item received W2 — Unacceptable substitute OTHER DISCREPANCIES Z1 — See remarks				
13. FUNDING AND ACCOUNTING DATA					1A — Disposition instructions requested (Reply on reverse) 1B — Material being retained (See remarks) 1C — Supporting supply documentation requested 1D — Material still required expedite shipment (Not applicable to FMS) 1E — Local purchase material to be returned at supplier's expense unless disposition instructions to the contrary are received within 15 days (Reply on reverse) (Not applicable to FMS) 1F — Replacement shipment requested (Not applicable to FMS) 1G — Reshipment not required. Item to be re-requisitioned. 1H — No action required. Information only 1Z — Other action requested (See remarks)				
14a. TYPED OR PRINTED NAME, TITLE, AND PHONE NUMBER OF PREPARING OFFICIAL David Johnson, AMO (714) 640-8720					14b. SIGNATURE				
15. DISTRIBUTION ADDRESSEES FOR COPIES									

364-103
7540-00-159-4442
(Previous edition is obsolete.)
STANDARD FORM 364 (REV. 2-80)
Prescribed by GSA FPMR 101-26.8

Exhibit 244.822e

GSA Standard Form 364, Report of Discrepancy (incorrect consignee)

REPORT OF DISCREPANCY (ROD)				1. DATE OF PREPARATION November 8, 1994		2. REPORT NUMBER							
☐ SHIPPING ☐ PACKAGING													
3. TO (Name and address, include ZIP Code) GSA Discrepancy Reports Center 1500 E. Bannister Road Kansas City, MO 64131-3088				4. FROM (Name and address, include ZIP Code) USPS, 2911 Niguel Road Laguna Niguel, CA 92607-9998									
5a. SHIPPER'S NAME GSA, Supply Depot, Stockton, CA				5b. NUMBER AND DATE OF INVOICE		6. TRANSPORTATION DOCUMENT NUMBER (GBL, Waybill, TCN, etc.) G-1,666,515							
7a. SHIPPER'S NUMBER (Purchase Order/shipment, Contract, etc.)		7b. OFFICE ADMINISTERING CONTRACT			8. REQUISITIONER'S NUMBER (Requisition, Purchase Request, etc.) 189AH5-4279-0012								
9. SHIPMENT, BILLING, AND RECEIPT DATA					10. DISCREPANCY DATA			11. AC-2 TION CODE					
NSN/PART NUMBER AND NOMENCLATURE (a)	UNIT OF ISSUE (b)	QUANTITY SHIPPED/ BILLED (c)	QUANTITY RECEIVED (d)	QUAN- TITY (a)	UNIT PRICE (b)	TOTAL COST (c)	CODE ¹ (d)	AC-2 TION CODE					
7530-00-281-5907	HD	144	144	144	13.80	1987.20	MI	1H					
12. REMARKS (Continue on separate sheet of paper if necessary)													
Received misdirected materiel. Forwarded to IRS Regional Office, Laguna Niguel Point of Contact: Sharon Warren (714) 495-3193													
1 DISCREPANCY CODES					2 ACTION CODES								
CONDITION OF MATERIAL C1 - In condition other than that indicated on release/receipt document C2 - Expired shelf life C3 - Damaged parcel post shipment SUPPLY DOCUMENTATION D1 - Not received D2 - Illegible or mutilated D3 - Incomplete improper or without authority (Only when receipt cannot be properly processed) MISDIRECTED MATERIAL M1 - Addressed to wrong activity OVERAGE/DUPLICATE SHIPMENTS O1 - Quantity in excess of that on receipt document O2 - Quantity in excess of that requested (Other than unit of issue pack) O3 - Quantity duplicates shipment PACKING DISCREPANCY P1 - Improper preservation P2 - Improper packing P3 - Improper marking P4 - Improper unitization					PRODUCT QUALITY DEFICIENCIES Q1 - Deficient material (Applicable to Grant Aid and FMS shipments only) SHORTAGE OF MATERIAL S1 - Quantity less than that on receipt document S2 - Quantity less than that requested (Other than unit of issue pack) S3 - Non-receipt of parcel post shipments ITEM TECHNICAL DATA MARKINGS (i.e., Name Plates, Log Books, Operating Handbooks, Special Instructions, etc.) T1 - Missing T2 - Illegible or mutilated T3 - Precautionary operational markings missing T4 - Inspection data missing or incomplete T5 - Serviceability operating data missing or incomplete T6 - Warranty data missing WRONG ITEM (Identify requested item as a separate copy in Item 9 above) W1 - Incorrect item received W2 - Unacceptable substitute OTHER DISCREPANCIES Z1 - See remarks					1A - Disposition instructions requested (Reply on reverse) 1B - Material being retained (See remarks) 1C - Supporting supply documentation requested 1D - Material still required expedite shipment (Not applicable to FMS) 1E - Local purchase material to be returned at supplier's expense unless disposition instructions to the contrary are received within 15 days (Reply on reverse) (Not applicable to FMS) 1F - Replacement shipment requested (Not applicable to FMS) 1G - Reshipment not required. Item to be re-requisitioned. 1H - No action required. Information only 1Z - Other action requested (See remarks)			
13. FUNDING AND ACCOUNTING DATA													
14a. TYPED OR PRINTED NAME, TITLE, AND PHONE NUMBER OF PREPARING OFFICIAL Sharon Warren, MAO (714) 495-3193					14b. SIGNATURE								
15. DISTRIBUTION ADDRESSEES FOR COPIES													

PS Form 1586, Supply Record

[illegible]

☆ U.S.G.P.O.: 1989-242-531/92035

Exhibit 255

PS Form 7343, Claim for Loss and Damage in Transit

 Office of Materiel Management Washington, DC 20260-6222		CLAIM FOR LOSS AND DAMAGE IN TRANSIT	
Name and Address of Carrier:		Date	
		Claim No.	
		Amount	
		Salvage	
		Shortage	
		Repair	

This claim is filed for loss and/or damage detailed below in connection with the following described shipment:

From (City, State, ZIP Code)		Name of Consignor	
To (City, State, ZIP Code)		Name of Consignee	
Routed Via		Freight Charges \$	
Bill of Lading No.	Bill of Lading Date	Contents of Shipment	Weight of Shipment

The amount of this claim is based on the contract price of replacement cost of the article for which this claim is filed as per the following statement, or as per attached invoice.

Statement

Make Checks Payable To:
Disbursing Officer, US Postal Service

The Following Documents Are Attached As Supporting Papers To This Claim	
Signature of Traffic Manager	

PS Form 7343, March 1985

3 Storage Space Management

31 Introduction

311 **General**

Postal Service space management is a complicated undertaking involving a variety of skills and disciplines. Every storage operation must be carefully planned and designed to provide services and controls that are most effective and efficient for the task at hand and for the company as a whole. Sophisticated techniques are used to design and organize storage areas, and equally sophisticated locator systems are used to permit quick and accurate identification of material whereabouts. Guidelines for material safety, preservation, and security minimize material losses. Storage space is obtained in a variety of ways. Commercial warehouse space requires specific controls and procedures. Storage space management refers to the principles and practices of managing the physical stockroom, supply room, and warehouse space.

312 **Purpose**

Storage space management serves the purpose of constantly monitoring, reporting, and controlling storage space that represents a significant Postal Service investment. Stockroom, supply room, and warehouse space in the Postal Service distribution system is extensive and expensive. Storage space is any physical area used to process and hold material or fill and issue orders. It also includes areas used for administrative support of receipt, storage, and issuing functions.

313 **Responsibilities**

Managers plan and lay out all stockroom, supply room, and warehouse space to support the activities of receiving, storing, and packing material; plan for its shipment; and perform the administrative functions necessary for the smooth, quick, and cost-effective handling of material. Managers requiring assistance may contact the Program Manager, Warehousing and Distribution, Supply Management Operations, for assistance.

32 Planning and Layout

321 Objectives

321.1 Efficiency and Economy

The primary objective of planning and layout for stockroom and warehouse space is to maximize the use of storage space and have an efficient process flow in order to minimize costs. To achieve that objective, the layout should aim for the following:

- a. A straight-line flow of activity with minimum backtracking.
- b. Minimum handling and transportation of material.
- c. Minimum travel and movement for personnel.
- d. Efficient use of space.
- e. Provision for flexibility, expansion, and contraction of space.
- f. Provisions that allow for the easy identification, storage, and condition assessment of inventory.

321.2 Mechanization and Automation

State-of-the-art advancements in mechanization and automation will be considered as part of the Postal Service planning effort for warehouse and stockroom requirements. The equipment used in any stockroom operation depends upon the types and quantities of materials carried in inventory. Cost-effective material handling equipment and systems must be incorporated to handle material through the process of receipt, storage, and issue in the most efficient manner.

322 Planning Elements

322.1 General Requirements

Effective stockroom and warehouse design and layout require intense planning. Factors that must be considered are the physical size of the space, the commodities to be stored, and the type of support to be provided. There must be security for accountable and sensitive items. There must be adequate access for storage and issue, as well as multiple exit paths for safety. The following specific functional requirements must be taken into account:

- a. Receiving.
- b. Inspection.
- c. Restocking.
- d. Picking orders.
- e. Packing.
- f. Staging and shipping.
- g. Administrative space.

322.2 Size

Since space is often at a premium within Postal Service facilities, the principles of space layout must be intelligently and realistically applied to make optimal use of the available space. Only after the types and quantities of material to be inventoried have been established, should the layout of the storage space be planned. Stockrooms must be large enough to hold the inventory needed to support current operations and to permit the addition of new items allowing them to be handled readily and safely. If need exists, consideration must be given to providing an area for bulk supplies that cannot be held in the stockroom.

322.3 Location

Items must be stored as close to their point of use as feasible. The location of stockrooms must be convenient to customers. The location of storage areas for parts should ensure that items are readily available when maintenance personnel need them. Ease of material handling should be considered in planning storage locations. A specific area within an installation may be sectioned off for storing equipment, or several Postal Service facilities may store their equipment in a single building. Storerooms should be located with access to freight elevators. In stockroom and warehouse operations, items should be located to allow for longer shelf-life, efficient storing, and efficient picking.

322.4 Storage Methods

Material may be stored on open racks, on pallets, on shelves, in drawers, on movable racks (carousels), or on available floor space. See [Table 322.4](#) for a listing and description of commonly used storage aids.

Table 322.4
Basic Types of Storage Aids

Storage Aid	Description	Advantages	Disadvantages
Pallet racks	Adjustable shelving designed for standard pallets and forklift operation	Organizes bulk storage; adjustable to pallet height; economical and maintenance-free	Requires large amount of square footage for aisles; awkward for issues from bulk safety concern
Fixed shelving	General purpose shelves in varying dimensions	Economical, versatile	Inflexible, wastes space on small items, inefficient picking
Small parts cabinets	Small part storage in various configurations	Saves space and workhours, good for commodity or group code location system	Expensive
Aisle savers	Shelf type storage which slides on tracks and eliminates need for aisles	Saves 50% space over standard shelves; easy to operate	Expensive

Table 322.4

Basic Types of Storage Aids

Storage Aid	Description	Advantages	Disadvantages
Vertical carousels	Electrically powered Ferris wheel type storage for binnable items	Saves substantial space, saves time and workhours in picking, enhances security and inventory accuracy	Expensive and can cause problems when down
Horizontal carousels	Lateral wheel type storage for binnable items	Saves substantial space, saves time and work hours in picking, enhances security and inventory accuracy	Expensive and can cause problems when down
Flow-through rack	Rack utilized in warehousing pick operations	Economical, versatile space saving for pick operations, saves time and workhours in picking	Economical, flexible, space saving

Notes:

Determining the best configuration of storage aids for your stockroom is not easy. You can get help either through the Postal Service or from commercial sources. Postal Service sources include the Program Manager, Warehousing and Distribution at Supply Management Operations at Headquarters, and the Materials Service Centers (MSCs). Commercial sources include manufacturers and distributors of material handling equipment and storage aids. Some companies will come to your site, do a no-obligation analysis of your storage needs, and provide a recommended layout.

323 Criteria for Planning Layout

323.1 Key Factors

The following factors should be considered when stockroom layout is being planned:

- a. Commodity factors — the characteristics of the items to be stored.
- b. Capacity factors — the characteristics of the available storage area.
- c. Activity factors — the activities that must be accommodated.

323.2 Commodity Factors

323.21 Nature of the Material

Items subject to deterioration need to be properly protected from extremes of temperature, dampness, rodents, insect infestation, and the like. Security items should be stored in vaults, safes, or caged areas; sensitive items must be properly safeguarded. Hazardous commodities including ammunition, flammable material, and oxidizing items need to be segregated from each other and from other types of supplies and stored in appropriate containers as applicable according to Occupational Safety and Health Administration (OSHA) standards and require the proper Material Safety Data Sheet (MSDS) to be on file.

323.22 Size, Weight, and Shape

Extremes of size, weight, or shape need to be considered. Large awkward containers and unusually heavy items must generally be stored near shipping doors. Light and fragile items should not be stacked to a height that would cause crushing or other damage to the containers and their contents.

323.23 Turnover

Fast-moving items must be stored in readily accessible areas, where they can be handled quickly and efficiently. Slow-moving items must be stored in less accessible or less desirable areas, where structural conditions make stacking or handling operations difficult. In supply rooms with issue counters, items issued most frequently should be located as close to the counter as possible. The decision as to where to place items is called positioning.

323.24 Quantity

Large quantities of uniform packages are conducive to simple layouts. In contrast, small quantities of various-sized items require special storage planning: small lots must be stored in short rows, racks, or bins to provide proper segregation of supplies, maximum utilization of space, and accessibility for issue.

323.3 Capacity Factors**323.31 Floor Loads**

Floor load capacity is the maximum weight of stored material that the floor can safely support, expressed in pounds per square foot of storage space. In multistory buildings, floor load capacities have been established and are indicated on the building plan. When floor load capacity is unknown, consult an engineer. If floor load capacity is not exceeded, lightweight and bulky items may be stacked as high as ceiling clearances allow, considering crushability and other characteristics of the items.

323.32 Doors

The number of doors available will influence the number of main cross-aisles that can be laid out and maintained for access to loading docks or areas. Doors should be high and wide enough to permit the easy passage of material handling equipment. Doors that are not required for access to loading areas, access by firefighting equipment, or as safety exits may be closed and sealed, with the additional space used for storage.

323.33 Loading Facilities

Aisle space leading to loading docks must be ample.

323.34 Upright Columns

The layout of aisles and storage bays will be affected by the location, size, and number of any upright columns and the distance between them. The bays should be laid out so that, when the supplies are safely stored, the amount of unused space will be minimal.

323.35 Stack-Clearance Safety Regulations

Standard stack-clearance regulations will be established. They will allow both for the safekeeping of supplies and for fire protection. A certain amount of clearance below fire protection sprinkler systems is required in accordance with OSHA standards.

323.4 Activity Factors

When stockroom or warehouse layout is planned, the activities that the space must accommodate need to be considered. Those activities include storing, receiving, picking, packing, shipping, over-the-counter issuing and handling of material, maintaining equipment, filing records, and so on. In a space in which ceiling height varies, areas with lower ceilings must be used for receiving and issuing, whereas areas with higher ceilings must be used for actually storing supplies.

33 Designation of Operating Spaces

The Postal Service uses a standard method of designating storage and warehouse operating spaces. The designations are as follows:

- a. Bin storage area.
- b. Bulk storage area.
- c. Outside storage area (if necessary).
- d. Specialized storage areas:
 - (1) Secured area.
 - (2) Hazardous area.
 - (3) Environmentally-controlled area.
- e. Truck loading/unloading area.
- f. Receiving area.
- g. Packing area.
- h. Shipping area.
- i. Administrative space.

34 Storage Plans

The following essential factors should be considered when planning most storage areas:

- a. A main aisle for the controlled flow of material through the stockroom.
- b. Sufficient cross aisles for access to bins and shelf stock.
- c. Logical material flow, usually moving from the receiving area to the distribution point.
- d. Provisions for all types of storage media required (i.e., bins, pallets, shelving, etc.).

- e. Aisles that are wide enough to accommodate material handling equipment.
- f. Secure and safe specialized storage areas such as chemical storage areas.
- g. A receiving area that is separate from the storage areas.

A floor plan must be developed for the available space. The plans for stockrooms may be less detailed than the plans for warehouses; however, all plans must consider layout, flow, and accessibility for the customers. Scale templates of the space and the type of storage aids to be used (e.g., shelving, bins, drawers, open counter, racks, etc.) can be made so that various arrangements can be simulated until the one that most closely satisfies the basic objectives is found. For each designated type of space, the square footage will be determined and recorded.

Stockroom or warehouse personnel will maintain master storage plans for all their facilities, showing the storage allocation and the type of material stored in the various areas. Plans will be updated whenever storage facilities are modified or material is relocated. For further reference for maintenance operations, use Handbook MS-63, *Maintenance Operations Support*. For vehicle maintenance operations, use Handbook PO-701, *Fleet Management*, Chapter 5, Stockroom Management.

35 Storage Locator Systems

351 Locator System

Each stockroom must have a stock identification and a standard locator system that allows someone who has no knowledge of the stockroom's layout to locate items. In nonautomated facilities, stock location information may be entered on PS Form 1586, *Supply Record* ([Exhibit 351a](#)); the location information must be updated when stocking procedures change. In automated facilities, stock location will be maintained in inventory database records. Layout maps must be posted where they can be readily seen. Bulk items and irregularly shaped items should be stored in separate areas and identified by stock number and description, and all other items must be shelved or stored according to location codes maintained in the stock record file or database. Each location must be marked with the stock location code, stock number of the item, item nomenclature, and unit of issue. Locations may be marked with other information, such as OEM number, shelf-life information, etc., if desired. For items stored in multiple locations, each storage location should cross-reference other locations. For smaller stock/supply rooms, a typical locator system must include designations for row, shelf, and rack/drawer. [Exhibit 351b](#) shows examples of stockroom or warehouse layouts. [Exhibit 351c](#) shows sample signage for a stockroom or warehouse activity. Postal Service activities may use these layout designs or similar signage.

352 **Storage Location Codes**

352.1 **Design of Locator System**

352.11 **Nonautomated Stockrooms**

A simple locator system consisting of designations for row, cabinet or shelf, and rack or drawer will usually suffice. In such a system, a location might be identified as follows:

4-C-12:

4 = Row 4

C = Cabinet or Shelf C

12 = Rack or Drawer

352.2 **Automated Stockrooms**

eMARS accommodates location codes of up to nine characters. A locator system for these may follow the example below, adapted to the particular requirements of the local stockroom. In any case, the purpose of the locator system is to funnel the search for an item down from the largest location element (such as an aisle) to the smallest and last location element (such as a space within a drawer). Example:

B-03-D-05-002:

B = Aisle

03 = Cabinet or Bin

D = Shelf or Bin Level

05 = Drawer or Space Within Shelf/Bin Level

002 = Space or Section Within Drawer

353 **Display of Location Codes**

Storage facilities will be physically marked by rows using signage and by marks to indicate the level above the floor wherever racks, shelving, or other vertical storage aids are installed. Label each storage location to reflect the specific stock location address. Mark all storage cells. Storage location layouts and location codes must be posted where they can readily be seen. A storage locator plan must be displayed in a readily accessible location in the storage area. (More than one plan may be necessary.)

354 **Multiple Storage Locations**

The underlying concept of assigning storage location numbers is that each item must have a single storage location where feasible. At some facilities, some items may have single locations. At very large facilities, multiple locations will most likely be necessary; for example, three locations might be used for a single item: one on the picking area, one for picking-area back-up stock, and one for bulk storage. Do not store different items in the same bin location.

Note: eMARS has the capability of assigning three additional sublocations.

355 **Assigning Material to a Storage Location**

355.1 **Review and Update**

As material is received for storage, storekeepers will determine whether like items are currently in storage and, if so, in what cell. If space in the cell allows, newly received items will be placed with items already on hand, arranged so that older stock is used first; i.e., first in, first out (FIFO). If space does not allow combined stocking or if like items are not currently in storage, a new location will be selected from available warehouse space. The new location will be entered on receiving documents and on the item record. As issues are made and stocks are drawn down, multiple locations of like items will be consolidated. As stock is relocated, location entries will be corrected. Spot checks of the efficiency of location control will be included in regular management reviews.

355.2 **Item/Location Cross-Reference Lists**

For each location, the record will indicate the description of the storage cell and the items stored in it. In automated systems, the record will be called the Master Item to Location Cross-Reference List (MILCRL). One record cross-references location to item number (MILCRL-A). Another record cross-references item number to location (MILCRL-B).

36 **Preservation, Security, and Safety**

361 **Responsibility**

Personnel responsible for storage areas will take all necessary steps to preserve and safeguard material and to promote safety in Postal Service storage operations. Suitable methods of preservation must be used for each type of item subject to deterioration. When applicable, shelf life should be noted on both the stock record card, if used, and the storage container.

362 **Care and Preservation of Commonly Stored Items Subject to Deterioration**

The following guidance should be observed to optimize the care and preservation of items commonly stored in Postal Service facilities that are subject to deterioration:

- a. Canvas Items. Will mildew when exposed to a warm, moist climate and should be stored in a cool, dry, well-ventilated place.
- b. Dry Cell Batteries. To retard spontaneous reactions within the cells and to minimize the evaporation of moisture, do not store at higher than normal room temperature.
- c. Hardwood Items. May warp when exposed to excessively damp or dry climates. Control humidity and protect from insects.
- d. Leather Goods. Subject to damage by moisture and should be stored in a cool, dry, well-ventilated area, away from radiators or other heating equipment.

- e. Metal Products. May rust and corrode when exposed to moisture. Make spot checks periodically to detect the development of rust.
- f. Oiled Mechanisms. Must be kept wrapped to keep from drying.
- g. PC Boards. Must be kept free from dust and require special handling and protection from static electricity. Do not remove boards from antistatic bags. If removal is necessary, ensure that proper antistatic mats and wrist bands are used.
- h. Rubber Products. Store in a cool, dry, dark, well-ventilated area; keep free of oil, grease, dust, and dirt.

363 Periodic Inspections

Items must be inspected periodically to ensure that:

- a. Oldest stocks are being issued first.
- b. Approved methods of storage and segregation and appropriate methods of preservation are being used.
- c. Damaged supplies and out-of-order equipment are being segregated from other supplies, and arrangements are being made for disposal or repair.
- d. Excess stock is being promptly tagged and reported in accordance with procedures contained in chapter [6](#) of this handbook.

364 Security Measures

Physical security encompasses surrounding grounds, building configuration, lighting, compartmentalization, electronic detectors, and alarms. The degree of use of security measures in various areas depends on the characteristics of the material stored, level of perceived threat, level of facility activity, etc. Overall security at a facility is the responsibility of the facility manager, who will review security measures and take appropriate action to ensure that adequate measures are enforced. Consideration must be given to the following:

- a. Fenced warehouse compounds.
- b. Caged areas for sensitive material.
- c. Security lighting for both inside and outside.
- d. Warehouse and stockroom areas should allow for adequate surveillance.
- e. Installation of silent alarms in warehouse and stockrooms.
- f. Installation of television cameras and recorders in areas storing money orders and weapons.
- g. Access to warehouse and stockroom areas should be limited to or restricted to Postal Service employees. General access to stores areas should be limited.
- h. Stockrooms should be kept locked except during normal working hours.

365 Sensitive Material

Sensitive material consists of items requiring added security to ensure that they are not removed from Postal Service property without permission. They must be stored in a secured storage cabinet or caged area.

366 Opened Bulk Containers

When a container in bulk storage is broken open, the contents should immediately be removed to bin or shelf storage or the container should be resealed. If the container is resealed, it should be marked "SHORT CONTAINER." Loose items in open containers should not be stored in bulk storage areas unless they are bulk-packed and cannot be handled in a bin area.

367 Access

No items may be placed in or removed from the storage area unless personnel in charge are notified. Access must be limited to authorized personnel who are assigned responsibility and accountability for inventory. On tours when the stockroom is not staffed, a control procedure must be established to identify individuals removing items and the items removed.

368 Safety Measures**368.1 Removal of Operational Hazards**

All personnel responsible for storage areas must be alert to and take steps to prevent conditions that might result in damage to material, equipment, and facilities as well as injury to personnel. Care must be taken in handling. Foreign articles such as paper, pieces of strapping, dunnage, scrap lumber, and pieces of boxes must be immediately removed from warehouse floors in the normal course of operations. Aisles must be kept clear of obstructions. Adequate light, ventilation, and heat must be provided. To ensure the absence of unsafe operating conditions, all storage areas must be inspected regularly for cleanliness. Any unsafe conditions that are noted must be immediately corrected.

368.2 Storage of Hazardous Commodities

Hazardous commodities must be stored in accordance with OSHA standards and regional safety instructions. Hazardous materials require MSDS documents to be on file for all items in this classification. Specific references include section 29 of the Common Fire Regulations, OSHA Standard L801, and the National Fire Prevention Association codes.

368.3 Fire Prevention

All warehouse personnel must be informed of what to do to prevent fires and what to do in case of fire. A fire plan should be developed and placed in each stockroom, warehouse, and storage room. The plan should include personnel assignments, a floor plan that includes location of fire alarms and extinguishers, required actions, and emergency telephone numbers.

37 Control and Reporting of Warehouse and Storage Space

371 Importance of Space Control and Reporting

For a material management system to be cost effective, it must effectively use its storage and warehousing facilities. To do this, management must improve the use of space and control the costs of warehousing. This requires actions that are based on accurate and timely data, which in turn is provided through the reporting process.

372 Monitoring the Use of Space

372.1 Responsibilities

Stockroom supervisors, warehouse supervisors, and material managers are responsible for monitoring the use of space in their jurisdictions.

372.2 Review Cycles

To obtain maximum use of space, stockroom and warehouse supervisors will review quarterly the use of space and record changes in storage plans. They will determine the need for additional space and will note the degree of use for types of storage (e.g., commodity categories, functional categories, and percentage of utilization of closed or open storage space).

372.3 Reporting Space Usage

Monitoring the costs of storage space requirements necessitates that warehouse and stockroom space is managed and controlled. A formal system of reporting to the Program Manager, Warehousing and Distribution, will be used to maintain visibility of storage requirements in the Postal Service.

38 Acquiring Commercial Warehouse, Storage Space, and Services

381 General

These instructions are drawn from the *Administrative Support Manual* and the *Purchasing Manual*. They are applicable to all Postal Service organizations.

382 Policy

382.1 Requirements Approval

All requirements for warehouse space and warehouse services are to be approved by Production and Distribution, Supply Management Operations, prior to submission to Facilities or Services CMC, Supply Management, Headquarters, for procurement.

382.2 Space and Service Acquisition

The following must be observed in the acquisition of space and services:

- a. All leased space acquisition must be accomplished through Facilities.
- b. All warehouse services acquisition must be accomplished through Services CMC, Supply Management, Headquarters.

382.3 Project Review

All major facilities projects must be reviewed by Program Manager, Warehousing and Distribution, Supply Management Operations, for inclusion and/or concurrence regarding elements of the project related to warehousing, stockrooms, storage space, docks and dock accesses, and material and supply handling.

382.4 Effective Use of Space

Joint use must be made of storage and warehousing space to the greatest extent possible. Generation of many small and special purpose warehousing and storage locations is specifically discouraged in favor of larger, centrally operated multipurpose warehouse, stockroom, and storage locations.

383 Consultation

Activities will contact Program Manager, Warehousing and Distribution, Supply Management Operations, prior to entering into any agreement or contract for warehouse space (either leased or full-service) or for services when they identify a need that is more than in-house Postal Service resources can provide. This applies to warehouse spaces that are contractor-owned and postal-operated, as well as warehouse spaces that are contractor-owned and -operated. Leased or purchased trailers will not be used for storage.

384 Procedure**384.1 Supply Management Operations**

Program Manager, Warehousing and Distribution, Supply Management Operations, will assist requesters by identifying other Postal Service space that may be available including the exact amount of storage space and material handling equipment needed; and arranging for courtesy storage at another location.

384.2 Requester**384.21 Request for Assistance**

The requester is obligated to submit a written request for assistance to:

PROGRAM MANAGER WAREHOUSING AND DISTRIBUTION
SUPPLY MANAGEMENT OPERATIONS
475 L'ENFANT PLAZA SW RM 4630
WASHINGTON DC 20260-6225

384.22 Identifying Detailed Elements

As support to the requirement and to assist the Program Manager, Warehousing and Distribution, in fulfilling the requester's needs, requesters must identify detailed elements of the operation by asking the following:

- a. What items are to be warehoused?
- b. How many of each item are to be warehoused?
- c. Are any items sensitive or requiring security?
- d. How many orders per time unit will be processed by the warehouse?
- e. What is the service area for this warehouse?
- f. What are the weights and dimensions of the items?
- g. How are the items to be warehoused (racks, cabinets, pallets, bins, shelving)?
- h. Are the items currently warehoused elsewhere? Where?
- i. If yes, will the current space be eliminated? To whom?
- j. If yes to h, will storage equipment transfer with the items?
- k. What is the calculated cubic space required to warehouse the items?
- l. What support space is required (restrooms, office, staging, battery room)?
- m. What total square feet are required, including circulation and support space, and what ceiling height is presumed in that calculation?
- n. What is the duration of the requirement, including start/complete dates?
- o. What modes of transportation bring items into the warehouse?
- p. What modes of transportation are used to ship items from the warehouse?
- q. How many dock doors will be required and at what height?
- r. Will dedicated or exclusive use dock doors be required? How many?
- s. What material handling equipment is required?
- t. Will there be dedicated on-site personnel? How many?
- u. What are the required/planned hours of operation, days per week?
- v. What communications (telephone, fax, computer, LAN) are required?
- w. Are there special requirements not included in a through v above?

Note: When storage space for MTE is required, space requirements must be initially coordinated with the serving area MTE specialist assigned to the distribution network office. The specialist will forward all requests to the manager of MTE, Processing and Distribution, who will, along with the Program Manager, Warehousing and Distribution, review the request.

385 Policy on Trailers for Storage of Materials**385.1 Responsibility**

It is the responsibility of each organization to implement this policy within areas under their purview.

385.2 Acceptable Use of Trailers for Storage

There are several circumstances under which use of trailers for storage is practical and justified:

- a. During construction of a permanent facility; during remodeling of a facility; or pending relocation when the store/stockrooms are being transferred, reconfigured, redeployed, or replaced.
- b. Truck/van/trailer (that is in itself a traveling storeroom) servicing facilities on a roving or mobile basis.
- c. During periods of high use when the store/stockroom does not have the capacity to support the seasonal requirement; during a recovery period after a calamity or natural disaster such as a storm, flood, and earthquake; and during peak activity periods.
- d. To support deployment of new automation equipment; to support transfer of equipment between installations for redeployment; to serve as a staging area in support of installation activities.
- e. Use at temporary locations or for a limited time when no permanent presence is planned but material support is required.
- f. Demurrage of trailers that must be detained until the warehouse, storeroom, or stockroom can off-load the shipment.

385.3 Requirements of Storage Facilities as Pertinent to Trailers

There is, however, no justification for the extended or permanent use of trailers as storerooms or stockrooms. Warehouse, storeroom, stockroom, and storage requirements are essentially a facility requirement wherein all proper Postal Service amenities are implemented:

- a. Ventilation and temperature control serve to preserve the material as well as afford comfortable personnel habitat.
- b. Aisle access by material handling devices such as pallet jacks, forklifts, rolling carts, etc., is essential for personnel safety in handling heavy, bulky, or sensitive materials.
- c. Entrance and exit must not be cumbersome for personnel and materials.

Trailers by their nature when used for storage cannot provide these elements. Trailers therefore may not be used for permanent storerooms, stockrooms, or substitutes for warehousing needs. Temporary use must be limited to those circumstances described under this policy.

385.4 Responsibility for Trailer Deployment

Whether leased or owned, local organizations are responsible for the proper deployment of trailers. If leased or purchased, properly authorized requests should be processed through the area Purchasing and Materials Service Center.

Exhibit 351a

PS Form 1586, Supply Record

[illegible]

PS Form 1586, November 1985

SUPPLY RECORD

☆ U.S.G.P.O.: 1989-242-531/92035

Exhibit 351b (p. 1)

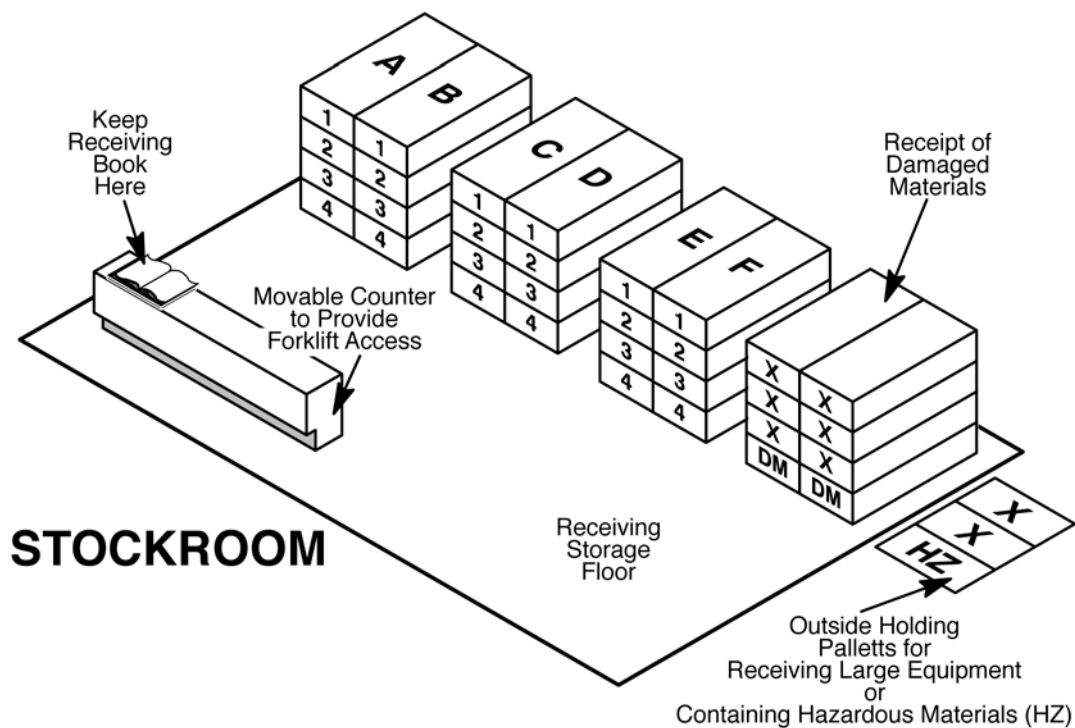
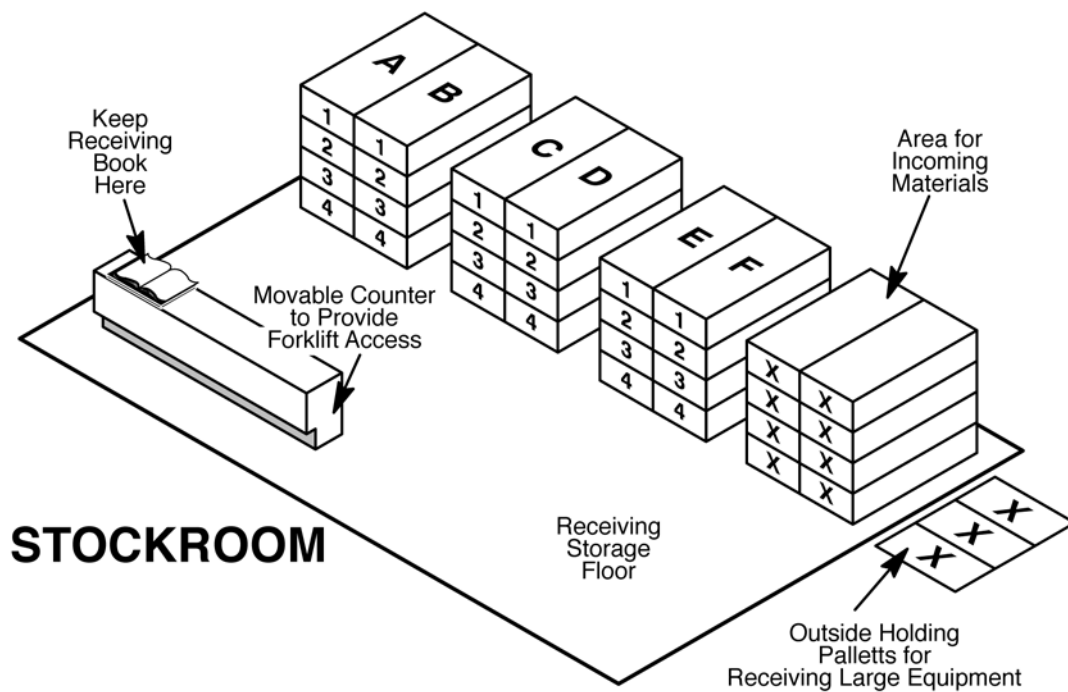
Stockroom/Warehouse Layout Designs

Exhibit 351b (p. 2)

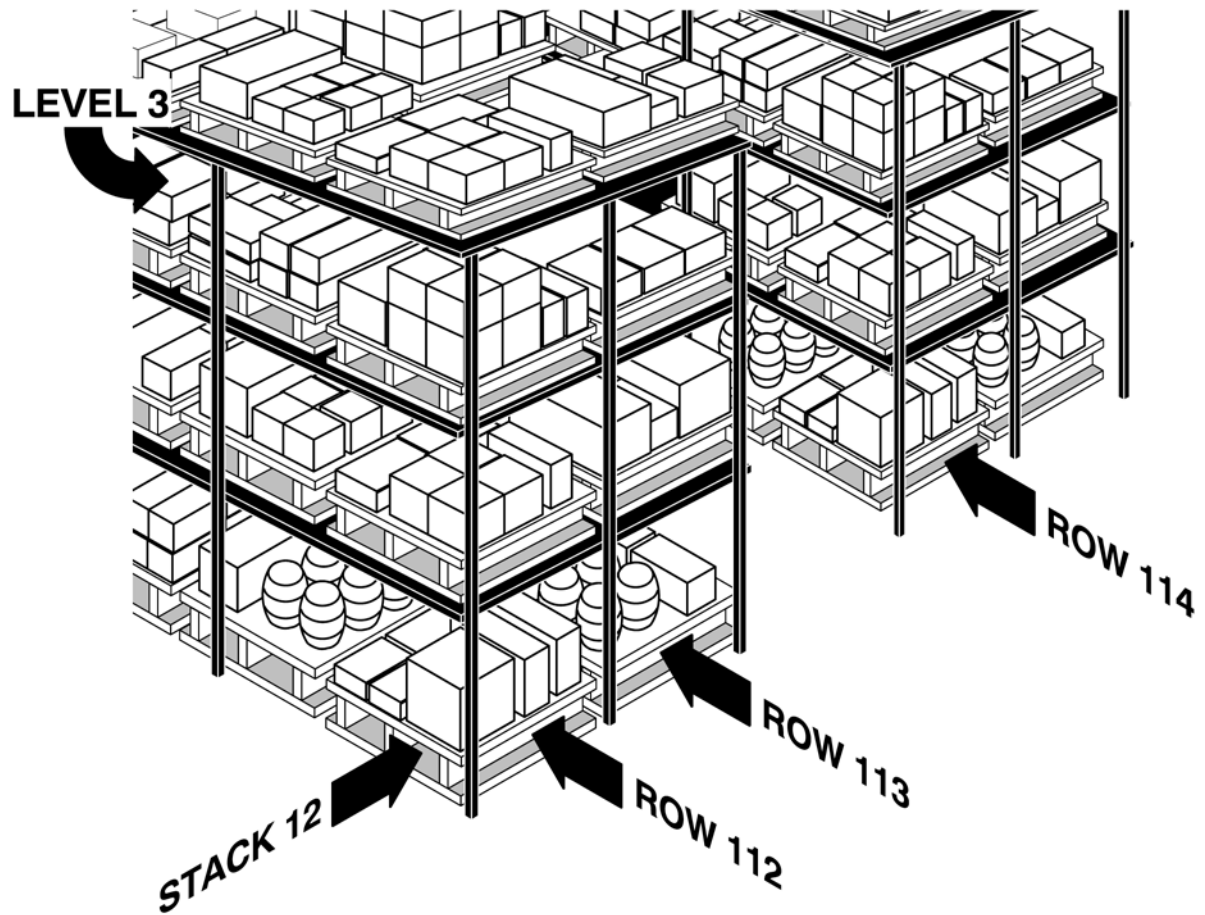
Stockroom/Warehouse Layout Designs

Exhibit 351c (p. 1)

Stockroom/Warehouse Activity Signage

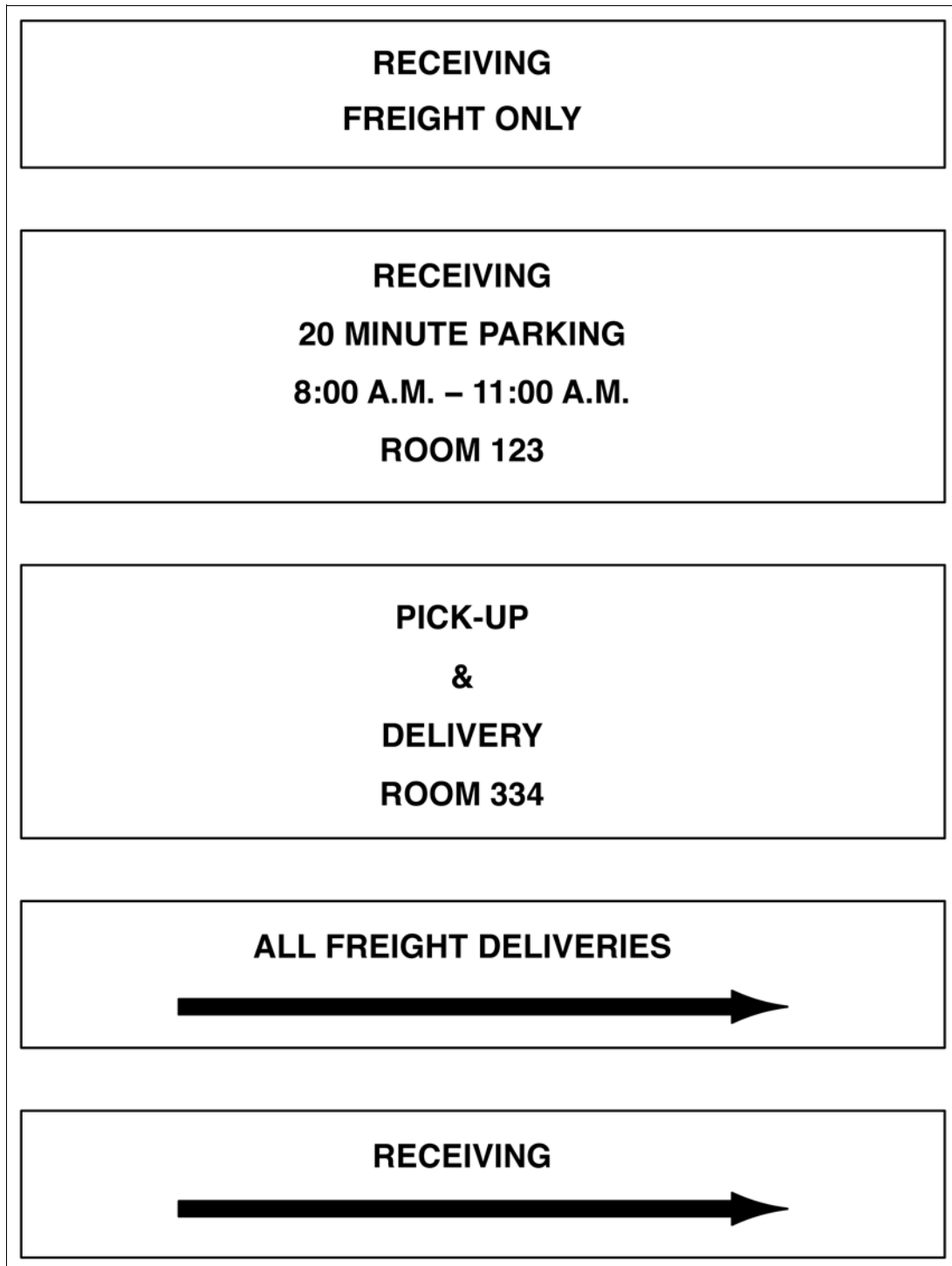


Exhibit 351c (p. 2)

Stockroom/Warehouse Activity Signage

SUPPLY ROOM
WAREHOUSE
RECEIVING 8:00 A.M. – 11:00 A.M. 1:00 P.M. – 3:00 P.M. MONDAY – FRIDAY CALL 268-4985

4 Stockroom Management

41 Introduction

411 **General**

The locations where the Postal Service stores and issues material are called a variety of names, including supply room, stockroom, tool and parts room, etc. For the purposes of this handbook, this place is referred to as a stockroom. The term applies to a maintenance stockroom, supply room, vehicle maintenance facility (VMF) stockroom, or any other location storing material.

412 **Applicability**

This chapter describes the material management procedures involved in retail stockrooms. A retail stockroom is any facility that stores, issues and receives, supplies, forms, equipment, or repair parts. Wholesale facilities, such as the material distribution center (MDC), are those that supply material to the retail stockrooms. This chapter also addresses the general procedures for both manual and automated systems such as Material Distribution and Inventory Management System (MDIMS), Electronic Maintenance Activity Reporting and Scheduling (eMARS) System, and Vehicle Maintenance Accounting System (VMAS). All Postal Service facility retail stockrooms must comply with these procedures

413 **References**

The procedures are based on policy established in the *Administrative Support Manual (ASM)* and procedures described in Handbook MS-63, *Maintenance Operations Support*.

414 **Accountability**

All installation heads are accountable for the material stored in their facilities. Each functional manager must designate in writing the person who is responsible for maintaining inventories in remote, satellite, and bench stock stockrooms, or other stockrooms where accountability is not included in job descriptions.

42 Managing Inventory

421 General

Inventory is material that is on hand to support customers' requirements. Inventory is difficult to manage well (even with a computer) and is costly because of handling, obsolescence, spoilage, theft, and various other overhead expenses. A basic principle guiding these procedures is to keep the range (number of items) and depth (quantities) of inventories to a minimum level necessary for effective customer support.

422 Stocking Decisions

422.1 Considerations

Any cost-effective and responsive alternative to stocking items not carried by the MDC should always be considered. This includes systems contracts, just-in-time purchasing, or other arrangements that place the risks and related expenses of inventory on non-Postal Service sources of supply. Stockroom managers must consider several things before making stocking decisions. Answering the following questions will help ensure that proper decisions are made:

Question	Decision
How long will it take to get the material if not stocked locally?	A short lead-time often means stocking is unnecessary.
Is storage space available to handle the material?	A good rule of thumb is to plan on enough storage space for three months' worth of demand.
What will happen to the operations or customers if material is not available in stock?	If the effect on operations is nonexistent, then stocking the item does not make sense.
Is the item expensive or fragile; does it have a short shelf-life; or is it otherwise particularly prone to loss?	If so, stocking will be especially costly. Carrying these types of items must be justified only by operational necessity or health and welfare.
Will there be enough demand to stock the item?	This demand frequency is distinguished from demand quantity; don't stock items that are rarely ordered (regardless of the order quantity) unless there are special circumstances (see 422.32 and 422.33).
Is the item still supported from market sources?	Sometimes suppliers will no longer carry items that are needed to support operations. In these cases, it may be necessary to stock an oversupply of the items.

422.2 Demand-Based Items

422.21 Using Demand History

Demand-based items are stocked because they have demonstrated sufficient past demand history to warrant stockage under specified Postal Service demand frequency thresholds. What is the right demand frequency for stocking an item? [Table 422.21](#) provides stocking guidelines based on requisitioning or demand frequency and provides guidelines for continued stockage. If a stocked item does not have the indicated frequency, it becomes a candidate to be dropped from inventory. Requisition frequency, however, is only one of the considerations; the questions in [422.1](#) must also be answered before stocking a new item.

Table 422.21

Using Requisition Frequency to Establish Demand History

Commodity	Initial Stockage	Continued Stockage
Repair parts (consumable or repairable)	6 requisitions in past 12 months	4 requisitions in past 12 months
Supplies	8 requisitions in past 12 months	5 requisitions in past 12 months
Forms	13 requisitions in past 12 months	7 requisitions in past 12 months

422.22 Finding Requisition Frequency

How do you know if an item has been requested in the past? The best source for reviewing not-carried demand supply items is eBuy and eMARS. eBuy tracks on catalog/off catalog requisitions, direct supplier orders and credit card log files (see Report Module in eBuy). In eMARS, review the Transaction Summary Report (see [Exhibit 422.22a](#)) and the Non-Stocked Issues Report (see [Exhibit 422.22b](#)).

Supervisors and stockroom personnel should review these reports frequently to monitor local purchasing and to look for repetitive buys of items that might be candidates for stocking.

422.3 Nondemand-Based Items

422.31 Description

These are items stocked because of their importance to the operating customer or because the item has been proven to be less costly to stock than not to stock. Normally, the only items authorized for nondemand-based stockage are insurance or critical items.

422.32 Insurance Items

Insurance items are a component, a subassembly, or assembly that has a very low mortality rate, is infrequently used, and is stocked as insurance against a lengthy lead time or pipeline delay.

422.33 Critical Items

A critical item is a component part required to repair a major mail handling system whose failure would impair, impede, or stop the handling,

processing, or delivery of mail. A critical item may also be items on hand for personnel health and safety.

422.34 **Catalog Identification**

The catalog system must identify these nondemand-based items to give them more management attention. How these are identified is discussed in [45](#), Cataloging.

422.35 **Use**

The identification of critical and insurance items is essential for achieving optimum service at each site at all times. Employees at each site must be aware of the existence of such items, their use, and their location, and they must ensure that the stock of such items is equal to the minimum requirements. A good method of controlling these items is to have ongoing review and approval on each item prior to entering it in the catalog and semiannually thereafter.

423 **Managing Items in Inventory**

423.1 **Stock Replenishment**

423.11 **Reorder Point Process**

The retail system uses a reorder point process to replenish stock. The reorder point method is also known as the perpetual inventory system. The principle is simple: the manager (or computer system) tracks on-hand plus on-order real assets. This figure is constantly compared with a calculated asset balance called the reorder point (ROP). When the real assets are at or below the ROP, the system recommends a quantity to order based on authorized stock levels. The ROP is calculated by estimating how long it takes to get replenishment stock (called lead time or pipeline days), multiplying that time by the average monthly usage, and adding a safety level quantity. In theory, when assets are at the ROP, the stockroom holds just enough stock to cover predicted usage while the order is being processed and shipped, plus emergency stocks. When the ROP occurs, a replenishment order must be placed to ensure a steady flow of customers' stock.

423.12 **Calculations**

The Postal Service uses several different calculations to determine authorized stock levels, lead time, and safety levels. These calculations vary with the system. [Table 423.12](#) summarizes calculations for eMARS.

Table 423.12

Replenishment Quantity in eMARS System

Replenishment quantity is calculated as:

$$RQ = [(AD \times 2) \times (PLD/28)]BPQ$$

where RQ is replenishment quantity

AD is average demand

PLD is pipeline days

BPQ is bulk pack quantity

Reorder Point

The reorder point is automatically calculated each month after the item has been on the Tool & Parts Room Stock Inventory Catalog for 6 months or more. The ROP is calculated as:

$$ROP = AD \times (PLD/28) + (AD \times .25)$$

AD = Issue history/months on file

Example

$$ROP = AD \ 3/6 = .5 \text{ rounded to } 1$$

$$= AD \times (PLD/28) + (AD \times .25)$$

$$= 1 \times (28/28) + (1 \times .25) = 1.25 \text{ rounded to } 1$$

After previous calculations, if the AD is less than .5, the AD becomes zero (0).

423.13 Importance of Careful Review

A scheduled and carefully supervised replenishment process is essential to stockroom effectiveness. Although eMARS will perform the computations and make replenishment quantity recommendations, their validity is entirely dependent upon the accuracy of data entered into the system. Appropriate review of the replenishment quantities must be made prior to placing orders. Stocks will be well controlled if employees follow the steps in [423.14](#) in any replenishment process.

423.14 Replenishment Logic Steps

1. *Review.* Review the “Reorder Report for Manually Procured Items” (see [Exhibit 423.14a](#)) and the “Reorder Report for Locally Procured and Repairable Items” (see [Exhibit 423.14b](#)) carefully. Several things must be observed — unusually large or high-dollar-value replenishment quantities that could contain errors or items that have had increasing or decreasing demand trends. eMARS uses a full year of demand history to calculate replenishment quantities. If recent trends are more indicative of future demand, then the computer-recommended quantity will understate or overstate requirements because it is using past demand history. The reorder report is a tool to help override the computer when necessary.
2. *Validate.* Validate replenishment quantities for items that are questionable for any reason. Physically check balance on hand (BOH) if necessary.
3. *Initiate Replenishment Action.* Initiate automatic or manual replenishment action.

423.15 Range and Depth (Optimization)

The Optimization Report module in eMARS should be reviewed periodically by management to optimize the range and depth of maintenance stockroom inventories. The optimization report has several built-in features to help identify and return excess inventories to the MDC. The report can be pulled by Group Code and displays the BOH, 12 months usage, the maximum usage in one month, item location, Critical/Insurance coding and the suggested disposal (excess) quantity. The report screen allows management to input actual disposal quantities for each line item and to delete the item from inventory if appropriate. The Optimization module can print out a picking list of items indicated for return/disposal and also generate a return authorization request form that can be sent to the MDC.

423.2 Due-In Management**423.21 Definition**

Due-ins are eMARS established records that indicate that replenishment orders are partially or completely unfilled.

423.22 Establishing Due-Ins

Due-ins are established as soon as a manual or an automatic replenishment is processed into the system. There are no computer checks to ensure that the manual order was actually processed or that automatic replenishment was uploaded to the wholesale supply management host system. Due-ins remain in the system until closed out through the receipt process or canceled.

423.23 Accounting for Due-Ins

Due-ins are considered as assets in the replenishment computation when determining whether the reorder point has been reached. Due-ins are treated exactly the same way as balance-on-hand assets. If the due-in on the computer is not really a current outstanding order, inventory dollars may be uselessly tied up in canceled or lost orders.

423.24 Due-In Logic Steps

1. *Produce Due-In Report.* Generate the Parts Due-In Report and eMARS will produce a list of all due-ins in the file (one for each month).
2. *Select Items for Follow-Up.* Look for orders that are still needed but possibly invalid and items no longer needed. Start with the oldest due-ins first because this is where the majority of invalid orders are. Then look at critical and high-dollar value due-ins.
3. *Follow-Up.* Take follow-up action with the source of supply. First check the NSN of each due-in selected in Step 2 to determine if the item is still required. Contact the supplier by telephone to check the status of the order. If the item is no longer required and the order has not already been shipped, it should be canceled. If the item is still required, the shipment should be expedited, if necessary. Annotate the outstanding due-in reports with review results and the specific actions taken on each NSN.

4. *Cancel Due-Ins.* Cancel the appropriate due-ins in the system. Follow the eMARS user guide procedures.

423.3 **Oversupply**

423.31 **Definitions**

423.311 **Oversupply**

Oversupply, or excess stockroom inventory, is broadly defined as any serviceable material over and above the needs of the installation accountable for it.

423.312 **Oversupply Material**

Oversupply material is the quantity on hand or on order above the established requisitioning objective (RO) for the item.

423.313 **Retention Material**

Retention material is oversupply material above the RO that should be retained because of a specific decision to do so based on the item's demand, future requirements, criticality, or a special requirement. This quantity is limited to 6 months worth of demand.

423.314 **Excess Material**

Excess material is material identified as either not appropriate for retention or over the 6-month retention limit, which is available for either redistribution or disposal action.

423.32 **Requisitioning Objective**

In eMARS, the RO varies with the pipeline days (P/D). If the P/D is 28 days, then the RO is 3.25 times the average month demand. Any change to the P/D will increase or decrease the RO more than the change in days because eMARS uses P/D in both the ROP and the operating level computations.

423.33 **Requirements Stack**

[Exhibit 423.33](#) is a chart of a requirements stack for an item, using eMARS as an example. This item could be an MDC- or GSA/DLA-managed item since MDC, GSA, and DLA have a 1-month pipeline in the Material Distribution Inventory Management System (MDIMS). The stack shows a total RO of 325 units of stock, or the total of the three stack elements (operating level, pipeline level, and safety level). Any assets over 325 would be classified as potential oversupply. This chart will vary with the item since there are different stack values.

423.34 **Reports**

eMARS installations should run a Low/No Issues Report each month (see [Exhibit 423.34](#)) to identify slow-moving items that may be candidates for removal from stock.

423.4 **Backorder Management**

423.41 **Definition**

A backorder results from a customer requisition or part of a requisition that cannot be filled because stock is either depleted or insufficient to meet the quantity required. Unless canceled, a backorder is automatically filled when

stock is replenished from the MDC, GSA, or DLA. Backorders at the retail stockroom are placed only against material carried in stock at that retail location. Supply Management does not allow the MDC to carry one-for-one items on backorder.

423.42 **Requisitions**

Requisitions that cannot be filled from local on-hand stocks will be backordered.

Backorder information is established and maintained for all items that are normally carried in stock and for which a requisition quantity cannot be filled from material on hand. The quantity required to fill the requisition will be recorded as a backorder and reserved for the specific requisition. Current backorder information will always be maintained by processing all transactions that affect the information base.

Transactions such as receipts, requisition cancellations, and validation results must be processed first to ensure that reserved items are available for other requirements.

423.43 **Processing**

If the customer is in the immediate area, process the receipt of material, clear the backorder, and notify the customer that material is available for pickup. The customer has 7 days to pick up the material. If it is not picked up, place the material in stock. If the customer is not in the immediate area, process the receipt, clear the backorder, and release the material for shipment to the customer.

423.44 **Validating**

Over time, customers may have resolved their requirement from alternate sources. Therefore, complete the following steps to determine if the request is still valid and how to proceed:

- a. Review and validate backorder information with customers to determine that the quantity and priority are still valid.
- b. Generate eMARS Open Orders Report (see [Exhibit 423.44a](#)) and Open Local Orders Report (see [Exhibit 423.44b](#)).
- c. Require stockroom personnel to accomplish the validation process by providing lists of all backorders to their respective customers.
- d. Sequence each list by requisition number and indicate stock number, quantity on backorder, and requisition dates. Provide space for customer response.
- e. Have the customer review the validation request and indicate the action required on each item (still valid, cancel, change quantity, or priority).
- f. Cancel the backorder if a response is not received within 7 days of the validation request.
- g. Adjust the backorder fill based on the validation results. Initiate the validation cycle at the end of each month for all backorders.

424 **Positioning Stock**

Not all items are stored in the main stockroom. Sometimes it is more advantageous for operations to store items in other locations. The decision on where to place items is called positioning. (See [323.23](#) for turnover standards.)

424.1 **Remote Location**

Remote stockrooms are located away from the main stockroom. Local procedures must be developed to ensure that remote stockrooms have the same level of control as the main stockroom.

424.2 **Satellite Location**

The senior maintenance official has the option to establish satellite stockrooms for approved items. Satellite stock consists of predetermined quantities of parts and supplies located in postal installations for distribution to a repair activity away from the main stockroom. Detailed recording procedures for maintaining satellite stock are contained in Handbook MS-63, *Maintenance Operations Support*.

424.3 **Bench Stock**

The senior maintenance official has the option of establishing bench stock, which consists of high-usage, low-cost items (e.g., nuts, bolts, washers, nails, grommets, shear pins, etc.) that do not relate to a specific piece of equipment. Quantities established should support 10 days or less of usage. These items are issued in bulk and placed in bins for easy access and withdrawal. Bench stock is usually located in a local stockroom or in areas of maintenance activity and is individually listed in the *Maintenance Stockroom Inventory Catalog*.

43 Receiving, Maintaining, and Issuing Stock

431 **General**

Receiving, storing, and issuing material are the three primary functions of any stockroom. Receiving operations consist of: initial receipt of material at the facility (usually a loading dock or other designated receiving point); storage processing (or “putting away stock”); and issuing or fulfilling customer requests for stocked material. In some cases, stockroom personnel are responsible for all three functions. In others, when initial receipt is performed by other than stockroom personnel, stockroom operations will consist only of storage and issue functions.

Stockroom personnel who are responsible for initial receipt processing should follow the guidelines in Chapter [2](#), Freight Transportation Management — Shipping and Receiving.

This subchapter deals with general procedures for storage processing.

432 **Storage Processing**

432.1 **Objectives**

The following are major objectives of storage processing:

- a. Clear order (due-in) records.
- b. Fill backordered requisitions.
- c. Update stock records.
- d. Restock bin locations.
- e. Maintain good housekeeping.

432.2 **Validation**

Care must be taken to validate that the shipment has been delivered to the correct address, it contains no concealed damage, and quantities match packing slips or other shipping documents. Any discrepancies should be handled according to Chapter [2](#), Freight Transportation Management — Shipping and Receiving.

432.3 **Procedures**

432.31 **Automated Stockrooms**

432.311 **General**

At automated storage facilities, stock record information is maintained in the computer system and updated to reflect receipts by processing receipt transactions in the automated system.

432.312 **eMARS Receipts**

Use the Inventory Receipt module in eMARS to record replenished or unfilled orders. When receiving material, these records indicate work orders (if any) for which the material has been ordered.

Complete receipt transactions, clear or reduce due-in quantities, by updating the quantity. For detailed instructions see the eMARS user guide.

432.313 **Nonstocked Material**

eMARS allows order, receipt, and issue records of nonstocked items to be maintained.

432.32 **Nonautomated Stockrooms**

To update stock record information, all receipts must be recorded on PS Form 1586, *Supply Record* (see [Exhibit 351a](#)) at sites where this form is used.

433 **Stock Records**

433.1 **Purpose**

Stock records of all kinds contain the essential information necessary to manage material in a stockroom. They are most often in the form of stock record cards, such as PS Form 1586 or computer databases.

433.2 Automated Activities

At automated storage facilities, stock record information is maintained in a computer system and updated to reflect receipts by the processing of receipts transactions in the automated system.

433.3 Nonautomated Activities

At nonautomated storage facilities, stock record information is maintained for each stocked inventory item. It provides information needed in storing, issuing, and warehousing, and it provides an accounting of the expenditure of Postal Service funds.

433.4 Types of Automated Stock Records

eMARS is a real-time automated system. Transactions are entered as they occur, and the stock record is updated immediately.

434 Maintaining Stock in Storage**434.1 General**

This section provides instructions for caring for the material in the stockroom, using common sense approaches to managing shelf-life items, protecting stock against loss or damage, and making maximum use of the space.

434.2 Shelf-Life Items

There is no master listing of shelf-life items since they may vary based on geography or the storage environment. The procedures to correctly manage these items are simple and can prevent a lot of waste. Obviously, items with a short shelf-life should be stocked in minimal quantities, if at all.

Some items with a short shelf-life are film, batteries, marker pens, and various inks and solvents. Others are less obvious, such as certain papers and rubber-based products.

434.3 Stock Rotation

Rotate shelf-life stocks to ensure first in and first out (FIFO).

434.4 Security

Stock losses can be kept to a minimum by applying a few management principles. The degree of control needed varies with the commodity, but the following general principles, known as stockroom antipilferage principles (SAPs), apply across the board:

1. **SAP #1.** The first step in controlling commodity is identification and visibility. Create a stockroom sensitive item list that identifies the items that need extra attention.
2. **SAP #2.** Locate sensitive items in highly visible areas.
3. **SAP #3.** Limiting stockroom access is essential to security. Unstaffed stockrooms that must be available for issuing material on tours 1 and 3 should never have an open door policy. Limit individuals' authorization in the stockroom by issuing a standard operating procedure (SOP)

designating them by title or by name. Keep the keys in secure locations and have them logged in and out. If volume or conditions warrant, consider a security access system.

4. **SAP #4.** Frequently inventory sensitive items. Counting every time a transaction occurs is a good practice. This may not prevent a loss but will quickly uncover one.
5. **SAP #5.** Monitor adjustments. Unsupervised inventory adjustments are an easy way to cover up losses. Always require supervisory approval on all adjustments. Investigate any adjustments made to stock on sensitive-item list.
6. **SAP #6.** If theft is suspected, contact the local inspector in charge.

434.5 **Storage Locator System**

434.51 **Procedure**

Each stockroom must maintain a standard locator system. The following system provides the means of locating items with minimal knowledge of a particular stockroom layout:

- a. Layout maps must be posted where they can be readily seen.
- b. Bulk and irregularly shaped items should be stored in separate areas and identified by stock number and description.
- c. Other items must be shelved or stored according to location codes maintained in the stock record file or database.
- d. Each location must be marked with the following:
 - (1) Stock location code.
 - (2) Item stock number.
 - (3) Item nomenclature.
 - (4) Unit of issue.
- e. Locations may be marked with other information, such as OEM number and shelf-life information.
- f. For items stored in multiple locations, each storage location should cross-reference other locations. Postal Service activities may use these or similar systems of layout design or signage.

434.52 **Storage Location Codes**

434.521 **Nonautomated Systems**

For small, nonautomated stockrooms, a simple locator system consisting of designations for row, cabinet or shelf, and rack or drawer will usually suffice. In such a system, a location might be identified as follows:

4-C-12:

4 = Row 4

C = Cabinet or Shelf C

12 = Rack or Drawer

434.522 **Automated Systems**

eMARS accommodates location codes of up to nine characters. A locator system for these systems may use the following example, adapted to the

particular requirements of the local stockroom. In any case, the purpose of the locator system is to funnel the search for an item down from the largest location element (such as an aisle) down to the smallest and last location element (such as a space within a drawer). For example:

B-03-D-05-002:

B = Aisle

03 = Cabinet or Bin

D = Shelf or Bin Level

05 = Drawer or Space Within Shelf/Bin Level

002 = Space or Section Within Drawer

435 Issuing Stock

435.1 Basic Principles

Customer requests for stocked material will be processed during established issue-processing hours. Stockrooms, storerooms, and warehouses are generally staffed to issue stock as requested by the customer.

435.2 Issue Procedures

435.21 Maintenance Offices

At automated sites, use the Inventory Issues module in eMARS to post quantities issued and maintain current balance on hand.

435.22 Other Offices

Nonautomated offices should use Form 1586, *Supply Record*, to post quantities issued and maintain current balance on hand.

435.23 Tool Control

Accounting records must be kept on tools. Employees who use tools in their daily performance of tasks will be issued tools on a permanent basis. Reporting procedures for maintenance personnel are contained in Chapter 7 of Handbook MS-63.

44 Repairable Management

441 Basic Principles

Overhauling or repairing defective parts is often the most effective way of meeting customer requirements. The decision to designate an item as repairable is typically made during the integrated logistics support planning process. In the Postal Service maintenance system, four levels of repair are identified, ranging from local activity repair to central depot repair. For specific procedures on managing repairables see Handbook MS-63 and current repair parts bulletins.

442 **Vending Repairables**

Vending repairables are sent to the Central Repair Facility (CRF) for repair. Some items are replaced automatically from the Indianapolis Critical Parts Center when the CRF receives the part. Others require a requisition. This determination changes from time to time and is kept updated by a repair parts bulletin.

443 **Return Transportation and Handling**

443.1 **Packaging**

Activities returning unserviceable repairables must pack them so that they are adequately protected during transit. Return the items to the designated facility (MDC or Repair) using the Mail System or PSBL. The electronic *Merchandise Return Label* is available on the USPS intranet at the Online Depot Repair Operations site at http://crf.usps.gov/asp/ofc_entry_tab.asp.

443.2 **Handling Procedures**

Pack repairables in shipping containers and wrap with packing material designed to provide maximum protection. Place components requiring protection from static electricity in electrostatic discharge protective bags prior to being packaged for shipment.

The containers and packing material may be reusable. Technical data management will specify the type of packing material to be used when the items are initially introduced into the Postal Service system. All activities must use that material whenever packing items for shipment.

444 **Credit Policy**

Field sites will be given core charge credit upon receipt of an NRFI/defective repairable item at the MDC. Warranty items will result in credit given for the core charge plus the unit price. Financial charges for replacement items will include the unit price and the core charge. Warranty items will be returned to stock at full value. Non-warranty items will be returned at the cost to repair only and will result in a new unit price.

45 **Cataloging**

451 **Stock Analysis**

Cataloging is the process of identifying and classifying items so that they can be managed. In eMARS, the catalog is maintained in the computer system on a real-time basis, updating records as soon as transactions are entered. The catalog is a primary tool and should be reviewed for changes at least weekly. [Table 451](#) suggests how a catalog can be used to help analyze the stockroom inventory. This table is based on the eMARS catalog format.

Table 451

Stock Analysis Matrix

Catalog Item	Meaning	Analysis
Header		Field names for each column in the report.
Source Code	Source of Supply	Primary source of supply but also will indicate items manually ordered and unauthorized stock.
OEM	Original Equipment Manufacturer Number	Part ID number assigned by the manufacturer.
CAGE	Commercial and Government Entity Code	Identifies the manufacturer.
NSN	National Stock Number	This should be NSN or local stock number. Frequent reviews will highlight local items with "99" items in positions 6 and 7. This may indicate excessive local buying or lack of cross-referencing for NSN.
Nomenclature		Complete descriptions are essential, particularly on locally procured local stock number item. The most descriptive noun should begin the description (e.g., hammer, ball pen).
Monthly Average	Accounting Period Average	Average issues for past 12 months or since stock was cataloged if less than 12 months. Key element in replenishment quantities. User can enter a figure in this field for the first 6 months, after which the system makes the calculations based on issues. If inaccurate, the replenishment quantity will be under- or overstated. Review the monthly average for any item which is frequently out of stock. Issues that understate the monthly average may not be recorded.
ROP	Reorder Point	When the total of due-in and BOH are at or below the quantity in this field, the system will order automatic replenishment items or recommend an order for manually replenished items. The ROP quantity is computed by adding the P/L days (expressed in months) plus 1/4 month of safety level and multiplying that sum by the monthly average.
Due-In	Material Procured But Not Yet Received	What the computer thinks you have on order. Very important field since invalid due-ins prevent replenishment. This field must be frequently validated.
BOH Units	Balance on Hand in Units	What the computer thinks you have on the shelf. Accuracy of this field is essential, which is why we perform our daily cycle counts.
Month OH	Accounting Periods on Hand	This takes the BOH quantity and divides it by the monthly average. It represents how long your BOH should last based on your usage. Reviewing this field is the easiest and quickest way to scan your catalog for potential excesses.
LCL UI	Local Unit of Issue	The unit of issue you use for your customers. It may be different from how you order or receive the item. UI errors can result in legendary quantity mix-ups. See BPQ and BP UI.

Table 451
Stock Analysis Matrix

Catalog Item	Meaning	Analysis
Unit Cost	Acquisition Cost of the Item	Review this field frequently to look for high-dollar-value items, pricing errors, and likely excess candidates.
P/L	Pipeline Days	This represents how many days it takes to get a replenishment order. It is used in the reorder point calculation and the replenishment quantity computation. MDIMS and eMARS use a default of 28 days for all items; the default for GSA is 42 days. This field can and should be changed when actual experience is notably different from the default value. Changes affect the reorder point and the replenishment quantity, which means if you increase the pipeline days you will reach the reorder point sooner and also increase the order quantity.
BPQ	Bulk Pack Quantity	This quantity represents the relationship between how you issue an item and how you order and receive it. If you issue as each but order as dozen, the UI is "EA"; the BPQ is "12," and the BP UI is "DZ." If the BP UI and the UI are the same, the BPQ must be "1."
BP UI	Bulk Pack Unit of Issue	The order/receipt UI. See BPQ.
History Units		Total issues recorded in the past 12 months or for however long the item has been cataloged. It is the basis for the month average computation. It is helpful in excess reviews since you can exclude relatively new items from consideration.
History Months		The number of months used in the monthly average computation. For items showing less than 12 months, it represents how many months it has been in your catalog.
GRP Code	Group Code	This indicates which primary piece of equipment the item is used on. It is very helpful when determining critical or obsolete items.
Bin Location		Where the system "thinks" an item is located. Must be constantly validated through a location survey program. Review frequently for inconsistent numbering sequences and use of a location for multiple items (e.g., listing "mezzanine" as the location for 300 items, etc.).

452 Catalog Changes

Catalog additions, deletions, and modifications should be made on a daily basis, not held for later entry. The following catalog entries need supervisory review:

- a. Deletion of a record.
- b. Addition of an item to stock.

- c. Balance on hand (BOH) adjustments.
- d. Designation of an item as insurance or critical.

453 Stock Number Systems

453.1 Explanation

The Postal Service systems use the following numbering patterns to identify stock items and equipment: national stock number (NSN), Postal Service item number (PSIN), locally assigned stock numbers, and commercially available government entity (CAGE) code that identifies the manufacturer. NSN is used for items already cataloged by the federal government. PSIN is assigned by Inventory Support as a general purpose identifier for Postal Service-unique supply and equipment items. Locally assigned stock numbers are assigned by the user activity for items locally acquired and not yet identified to an NSN. [Exhibit 453.1](#) helps to distinguish between the NSN and the locally assigned numbers.

453.2 Cross Referencing

Postal Service policy is that the primary identification number is the NSN. Supply clerks should attempt to cross-reference all manufacturers' part numbers to an NSN prior to assigning locally assigned stock numbers. When locally assigned stock numbers are used in the eMARS system, manufacturers' part numbers and CAGE codes should be included in the record. This will make future NSN cross-referencing easier.

46 Inventory

461 Inventory Management and Support

461.1 General

The primary responsibility for maintenance stockroom inventory management rests with the local maintenance manager. The responsibility for inventory management at nonmaintenance stockrooms rests with the installation head. In each case, technical and professional support is provided by district and MSC material management specialists.

461.2 Maintenance Inventory Support Process

The maintenance inventory support process (MISP) is a cooperative effort between the Maintenance and Materials organizations to improve maintenance stockroom reliability, efficiency, and inventory accuracy. MISP has been adopted in the Postal Service to coordinate inventory management and support activities at maintenance stockrooms.

461.3 MISPP Continuous Improvement Cycle

Local maintenance personnel and material management specialists work together in the MISPP continuous improvement cycle. The four components of the continuous improvement cycle are as follows:

- a. Local inventory management includes all of the physical tasks and related transactions that are routinely performed by maintenance personnel to manage local inventories.
- b. Independent assessment occurs when a material management specialist performs a statistical sampling or uses other reliable methods to collect data for evaluating local inventory performance.
- c. Analysis and reporting means that the material management specialist conducts analysis by reviewing the data generated by statistical samplings or other assessment tools. Reporting is the act of communicating the analysis and any recommendations to local maintenance management.
- d. Cause and corrective action plan represents the planned actions by local maintenance personnel in response to the analysis and recommendations provided by the material management specialist.

462 Physical Inventory Procedures**462.1 General**

These procedures must be tailored to the individual system. The various Postal Service automated systems all have different ways of handling the inventory process.

462.2 ABC Classification and Cycle Counting**462.21 ABC Classification**

The purpose of this ABC method is to place more attention on expensive and/or fast-moving items. ABC classification means breaking the inventory into three groups based on the dollar value of issues times the number of issues.

- a. **Group A:** Represents 5 percent of the items on the catalog. They are the top sellers (see [Exhibit 462.21](#)) and account for the highest dollar value issues.
- b. **Group B:** Represents 15 percent of the items and has the next highest dollar value of issues.
- c. **Group C:** Represents the remaining 80 percent of the items.

Count Group A items four times a year, Group B items twice a year, and Group C items once a year.

462.22 Cycle Counting

Cycle counting is the process of counting the entire stockroom inventory incrementally over a given period of time. eMARS produces daily cycle count reports based upon ABC analysis. These reports will list which items are to be counted for the day.

462.23 ABC Supplement

ABC needs to be supplemented by local programs and procedures to designate critical and high-dollar-value items (more than \$10,000 on hand) for increased count frequency. Use the following steps in conjunction with the inventory procedures described later in this chapter:

1. Use the catalog and select those critical and high-dollar-value Group C items that need to be treated like Group A items.
2. Produce a separate listing of these items.
3. Add enough of these items to the normal daily cycle count process to count them at least quarterly.

462.24 Manual Stockrooms

For offices without a computer system the following are suggested steps for creating a cycle count system:

1. Identify each item as Group A, B, or C. Mark 5 percent of the items that are most important to your customer as Group A items. Mark 15 percent of the items as Group B items. Mark the remaining 80 percent of the items as Group C items.
2. Each Monday, determine which items must be inventoried. If cycle counts are to be done weekly, divide the Group A items by 12, the Group B items by 24, and the Group C items by 48. This tells how many items of each category must be counted each week based on counting 48 weeks per year. If the count is more or less frequent than weekly, adjust the number accordingly.
3. List the items selected in Step 2 on inventory work sheets in location sequence.

As new items are added to the inventory during the year, code as A, B, or C based on their importance to the customer. If the operation would be better served by just two categories, drop the B and use A and C with a 20/80 percent split.

462.25 Counting

The process of counting is the same for cycle counts, control group counts, or statistical samples. All counting should be done blind (i.e., without a balance on hand showing on the sheet). Procedures are as follows:

1. Determine who will do the inventory and if more than one person is required, divide the worksheet into sections.
2. Provide each person assigned his or her portion of the worksheet, a map of the storage area if necessary, a clipboard, and a general comments sheet.
3. Go to each location and record the count of each item. If there is more than one location for the same item, continue inventorying items in location sequence. Combine the counts from different locations of the same item after all the locations are done. Also record any location problems, condition of the material, expired shelf-life items, or any other observation that needs follow-up action. When recording the count, show the computations (4 boxes x 25 = 100) not just the result (100). This will help during reconciliation and research.

4. Compare the count with the stock record balance on hand. If the counts match the BOH and there are no in-process documents, that item is done. If the count does not match the stock record BOH, do a recount. Additionally, eMARS sites can use the immediate BOH function or the finder menu.
5. Conduct a recount if necessary. Recounts should not be done on large quantities of low-cost, nonessential items. Accept the first count as accurate on these items. If possible, the recount should be made by a different counter who doesn't know the stock record BOH. If the second count matches the stock record BOH, no action is required. If it matches the first count, the count is considered to be correct, and reconciliation and research are necessary before making a BOH adjustment. If the first count, second count, and the BOH all disagree, a third count is necessary to determine an exact count.

462.3 **Reconciling and Researching Discrepancies**

Every discrepancy must be quickly reviewed to find out the reason for the difference. The procedures are as follows:

1. Review all in-process documentation that could affect inventory accuracy. If documentation that clears up the discrepancy was a recent action (i.e., within 2 days) and was in the processing chain, then the discrepancy is not considered an error. If the action is over 2 days old and did not get processed, this is counted as an error.
2. Review all discrepancies with the other storage personnel to determine what happened and to help determine how to prevent the problem from recurring.
3. Document each discrepancy and lessons learned during the reconciliation and research.
4. Take whatever actions are necessary to correct conditions noted not directly related to the inventory. For example, conduct a spot inventory on all items found in locations not recorded on the stock record. Repackage material when damaged packaging was noted, take disposal action on unusable items, and correct any location errors noted.

462.4 **Adjustment**

Adjustments are considered a last resort. If lack of specific action or documentation is determined to be the cause of the discrepancy, take corrective action or process the correct documentation to get the records straight and establish the correct audit trail. If action or documentation cannot be pinpointed, then an adjustment will be necessary. The procedures are:

1. Change the balance on hand eMARS to adjust catalog balance so that it reflects physical balance on hand.
2. On a monthly basis, either the maintenance manager or the district material management specialist must review the adjustment report (eMARS).

47 Performance Indicators

471 **Measuring and Maintaining Inventory and Location Accuracy**

471.1 **Purpose**

The ultimate goal of measuring inventory accuracy is to improve the ability to support the customer and to bring Postal Service inventory management in line with industry standards.

471.2 **Policy**

Inventory and location accuracy must be verified at least once a year. These goals are 97.5+ percent for location accuracy and 95+ percent for inventory accuracy. Maintenance stockrooms comply with this policy by conducting a 100 percent inventory location and accuracy count yearly, using the cycle count method. Nonmaintenance sites satisfy this requirement by conducting a statistical sampling.

471.3 **Procedures**

471.31 **Inventory Accuracy**

Inventory accuracy is the measure of stock records to actual stock balances on hand. The requirement to verify inventory accuracy can be accomplished by counting part of the inventory at regular intervals so that within the year all items have been inventoried. Balances on hand must be corrected on the stock record when necessary. This is called cycle counting and reconciliation. The inventory accuracy rate (IAR) is calculated as follows:

$$\text{IAR} = \frac{\text{Number of items inventoried} - \text{Number of items in error}}{\text{Number of items inventoried}} \times 100$$

471.32 **Location Accuracy**

Location accuracy measures stock record locations against physical locations. Location accuracy is a separate function from inventory accuracy. It is accomplished by verifying part of the locations at regular intervals so that within a year all locations have been verified. Ensure that locations contain the correct items and are properly labeled. Locations are not correct if stock is mixed. The location accuracy rate (LAR) is calculated as follows:

$$\text{LAR} = \frac{\text{Total locations surveyed} - \text{Discrepancies}}{\text{Total locations surveyed}} \times 100$$

471.33 **Methods of Measurement**

471.331 **Discrepancies**

The Postal Service uses two methods for determining inventory and location accuracy: cycle counting and statistical sampling. An item is discrepant whenever:

- a. Its physical count does not correspond with the book count.
- b. Its location is not assigned in the stock record.
- c. Its assigned location includes mixed stock.

- d. It is not in its assigned location.
- e. Its physical label is not properly affixed or legible.

471.332 **Cycle Counting**

Inventory managers at large stockrooms would find it difficult to verify inventory and location accuracy once every year. The requirement to verify inventory and location accuracy can be accomplished more easily by counting part of the inventory at regular intervals — daily or weekly — so that all items are counted within the year. Cycle counts should be conducted as follows:

- a. Schedule counts and print cycle counts worksheets from eMars.
- b. Perform daily cycle counts.
- c. Review transaction history and process transactions or adjustments to rectify the discrepancies when they are discovered. Reconcile the physical and stock record balances.
- d. At the end of every accounting period, the DMMS will have available in eMARS copies of the daily cycle count adjustment reports and other reports which detail inventory accuracy and the physical count as compared with the catalog BOH. The DMMS can analyze these reports, make reports on them, and, if necessary, recommend corrective actions based on them.

Note: Nonautomated sites are not required to do a cycle count or yearly wall-to-wall inventory unless directed by local management.

471.333 **Cycle Count Analysis and Recommendations**

The DMMS will review the Monthly Cycle Count Adjustment Report and Stock Level and Location Accuracy Report (see [Exhibit 471.333](#)) to determine if, in two consecutive months, inventory accuracy is below 90 percent or location accuracy is below 95 percent, or both. The DMMS will notify the local maintenance site of the recommended corrective actions to bring the accuracy to the desired level and forward copies of the reports to the MSC material management team leader.

471.334 **Statistical Sampling**

At maintenance and other large stockrooms, a periodic statistical sampling of inventory and location accuracy should be performed in addition to the annual requirement to verify inventory and location accuracy. The inventory and location accuracy rates of this sample are used to determine whether or not processes need to be improved, or if the installation needs help or further analysis. The statistical sample also provides a check and balance feature. Unlike cycle counting, which is performed exclusively by site personnel, the statistical sampling is conducted by the district or MSC material management specialist with the assistance of site personnel. This provides site management with an independent assessment of accuracy rates. The following should be considered in connection with statistical sampling:

- a. *Conducting the Sampling.* eMARS sites can request a statistical sample record (see [Exhibit 471.334a](#)) using the inventory management program module. The system will calculate the accuracy rates based on users' inputs of the results of their counts. Other sites must manually construct a statistical sample report using random items

selected from the stock record catalog. If manually constructed, items to be sampled should be 5 percent of the total items and locations, but no fewer than 30 items. When performing a manual statistical sampling, the IAR and LAR must be calculated using the formulas and frequencies shown in [471.31](#) and [471.32](#). When sampling is completed, request an Inventory Management MISP Summary Report in eMARS (see [Exhibit 471.334b](#)).

- b. *Statistical Sampling Frequency.* Senior management officials at the site will arrange for assistance for the DMMS and/or the MSC material management team to perform periodic statistical samples at eMARS sites. Sampling frequency is based upon the extended dollar value of inventory at each site (see [Table 471.334](#)).
- c. *Statistical Sampling Follow-Up.* If the statistical sample reveals an inventory accuracy rate of 95 percent or more and a location accuracy rate of 97.5 percent or more, no follow-up is necessary. If either accuracy rate is below the Postal Service goals, corrective action as described in Part [472](#) must be taken.

Table 471.334

Statistical Sample Frequency

Extended Dollar Value	Frequency
All sites	
\$1.0 million or more	4 times per year (quarterly)
\$0.5M to \$999,999.99	2 times per year (semiannually)
Maintenance sites	
Less than \$500,000 of inventory	1 time per year (annually)
Nonmaintenance nonautomated sites	
Less than \$500,000 of inventory	As required by installation head

472 **Corrective Action**472.1 **Procedures**472.11 **General**

When cycle counts or statistical samples reveal the necessity for corrective action, local maintenance management, with technical assistance from the DMMS or MSC material management, must take steps to determine the causes and take corrective action. Possible causes of unsatisfactory inventory or location accuracy are:

- a. Poor physical security of the stockroom.
- b. Lack of access control.
- c. Poor or nonexistent standard operating procedures at satellite or remote stock locations.
- d. Lack of key control on tours without stockroom personnel on duty.
- e. Poor locator systems or bin markings.

- f. Lack of transaction integrity (failure to consistently record replenishment orders, receipts, transfers, and issues).

Cause and corrective action reports detailing probable causes, actions to be taken, and dates for such actions must be prepared. If poor transaction integrity is determined to be the cause of low accuracy rates, conducting control group counts (see [472.12](#)) and using location/inventory discrepancy reports are the most effective ways to find out what happened and to reverse the trend.

472.12 **Control Group Counts**

Control group counts are 60 randomly selected items, 30 from the last statistical sample and 30 from the last week's cycle count reports. The counts should be continued for 4 weeks. After the initial week's count, each subsequent week's list should contain 30 new items from the previous week's cycle counts. The original 30 items from the statistical sample should continue from week to week. Counting the same items one week apart can help to pinpoint problems, since transactions affecting the item since the last count are very recent. After each count, discrepancies should be reconciled or accounted for.

472.2 **Location/Inventory Discrepancy Report**

472.21 **eMARS Sites**

eMARS sites can automatically produce control group counts. Location/inventory discrepancy reports should identify the discrepancy, the cause of the discrepancy, the corrective action plan, follow-up actions and dates, and results. (See [Exhibit 472.21a](#) and [Exhibit 472.21b](#).)

472.22 **Other Automated Sites**

Other automated sites are encouraged to use any features inherent in the particular software they are using to control inventories to produce a control group count.

472.23 **Nonautomated Sites**

The location inventory discrepancy report does not have control group count capability. (See [462.24](#) for guidance.)

Exhibit 422.22a

eMars Transaction Summary Report

INVENTORY MANAGEMENT REPORT													
Transaction Summary Report													
CAROL STREAM 500 E. FULLERTON AVE. CAROL STREAM, IL 60199-9731			From NSN 3130-00-116-9034 To NSN 3130-00-116-9034			From Date 10/01/2004 To Date 01/17/2005			U.S.P.S.: eMARS Reports DATE: 03/22/2005 TIME: 14:50:03				
NSN: 3130-00-116-9034 BEARING UNIT PILLOW BLOCK HIGH SHAFT ECCENTRIC LOCK LOCATION: A06I01B													
DATE	TIME	TRANSACTION TYPE	PREV BOH	QTY* RET.	NEW BOH	UNIT COST	TRANS COST	ACRONYM	EQUIP #	ACT CODE	ORDERED FOR -or- ISSUED TO	Clerk's Initials	
01/17/2005	22:19:09	CATALOG ADJ.	6	2	0	4	17.17	34.34		T		LR	
COMMENTS: TRANSFERRED TO FOX VALLEY P DC. TRANSFERRED (2) TO JEANNE @ FOX VALLEY													
10/06/2004	06:28:29	ISSUE	5	2	0	3	17.07	34.14	AFC5	2	NOLET, GC	LK	
NSN: 3130-00-116-9034 BEARING UNIT; PILLOW BLOCK;HIGH SHAFT;ECCENTRIC LOCK LOCATION: A06I01B													
DATE	TIME	TRANSACTION TYPE	PREV BOH	QTY* RET.	NEW BOH	UNIT COST	TRANS COST	ACRONYM	EQUIP #	ACT CODE	ORDERED FOR -or- ISSUED TO	Clerk's Initials	
12/16/2004	07:50:12	CATALOG ADJ.	6	0	0	6	17.17	0.00		C		N	
COMMENTS: *MANUAL CHANGE--LOCAL_NOMEN Updated From BEARING UNIT; PILLOW BLOCK;HIGH SHAFT;ECCENTRIC LOCK To BEARING UNIT; PILLOW BLOCK;HIGH SHAFT;E													
12/16/2004	07:50:12	CATALOG ADJ.	6	0	0	6	17.17	0.00		C		N	
COMMENTS: *MANUAL CHANGE--UNIT_COST Updated From 17.068 To 17.171													
10/15/2004	22:17:49	CATALOG ADJ.	6	6	0	6	17.07	0.00		C		LR	
COMMENTS: CATALOG UPDATE: LOCATION1, LOCATION2													
NSN: 3130-00-116-9034 BEARING UNIT; PILLOW BLOCK;HIGH SHAFT;ECCENTRIC LOCK LOCATION: B43H01D													
DATE	TIME	TRANSACTION TYPE	PREV BOH	QTY* RET.	NEW BOH	UNIT COST	TRANS COST	ACRONYM	EQUIP #	ACT CODE	ORDERED FOR -or- ISSUED TO	Clerk's Initials	
10/08/2004	14:50:39	CATALOG ADJ.	3	6	0	6	17.07	51.20		C		LR	
COMMENTS: CYCLE COUNT													
* Quantity (Qty) is the amount entered													
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Page 1													

Exhibit 422.22b

eMars Non-Stocked Issues Report

CAROL STREAM 500 E. FULLERTON AVE. CAROL STREAM, IL 60159-9731				INVENTORY MANAGEMENT REPORT Non-Stock Issues Report						U.S.P.S.: eMARS Reports DATE: 03/22/2005 TIME: 14:50:03		
Total Cost Greater Than or Equal To: \$0.00				From NSN: 0306P-1 To NSN: TUBING		From Date: 03/16/2005 To Date: 03/17/2005		SEQUENCE: TRANSACTION DATE				
NSN	QTY ISS.	UOI	COST	SERIAL #	WO REG	WO # (Code)	ACRONYM	EQUIP #	ISSUED TO	TRANS. DATE	Clerk's Initials	
146300P1	1	EA	320.40		503	400 (21)	BLDG	A112	STERN, ML	03/17/05	15177	
LIBERTY COMPRESSOR												
1P867	4	EA	102.00		503	433 (07)	BLDG	1	HARVATT, JP	03/17/05	15177	
LIGHTS EMERGENCY												
5963-04-000-9272	1	EA	399.15		502	417 (07)	ASD	2	BEHNKE, LP	03/17/05	1001581	
MODULE, CONTROL, POWER ROLLER												
6H441	1	EA	142.55		510	8 (21)	BLDG	BLDG	LASON, D	03/17/05	15177	
SMOKING URN, BROWN												
T-145	4	EA	141.75		503	3 (10)	BATTERY	bor	HARVATT, JP	03/17/05	15177	
BATTERY 6 VOLT FOR SCRUBBER												
TUBING	100	FT	5.64		503	415 (07)	MOPE	FL12	LANTGEN, R	03/17/05	15177	
1 IN DIAMETER TUBING 1/4 INCH THICK												
0306P-1	5	EA	27.00		504	1 (07)	BOX	INST	KAMPF JR, GM	03/16/05	15177	
CBU PARCEL LOCK UWT												
3HA71	4	EA	155.50		503	432 (21)	BLDG	BLDG	SNYDER, RS	03/16/05	15177	
CABINET 4 SHELVES												
3KY27	1	EA	329.40		503	399 (21)	BLDG	INSPECTION	BUCKINGHAM, W	03/16/05	15177	
DOOR METAL												
4HJ00	2	EA	138.38		503	432 (21)	BLDG	BLDG	SNYDER, RS	03/16/05	15177	
STOOL PADDED SEATS												
5965-05-000-0431	1	EA	17.59		502	427 (07)	AFSM100	1A	NOLDEN, W	03/16/05	1001581	
SHM, COUNTER, 342 MM L												
5U958	2	EA	23.00		503	399 (21)	BLDG	INSPECTION	BUCKINGHAM, W	03/16/05	15177	
PROTECTION PLATE FOR DOOR												

Inv003.rtf Page 1

Exhibit 423.14a

eMARS Reorder Report for Manually Procured Items

CAROL STREAM
500 E. FULLERTON AVE.
CAROL STREAM, IL 60109-0731

INVENTORY MANAGEMENT REPORT
Re-Order Report for Manually Procured Items (M)

U.S.P.S.: eMARS Reports
DATE: 03/23/2005
TIME: 11:15:01

Total Value Greater Than or Equal To: \$0.00

From NSN 3915-99-000-2181
To NSN 5310-99-000-3135

SEQUENCE NSN

SC	NSN	NOMENCLATURE	BOH	AP AVG	DUE IN	AP OH	ROP	LCL UOI	UNIT COST	P/L	BPQ	BP UOI	HIST Units	HIST MOs	GRP	LOCATION
M	3915-99-000-2181	MOUNT, COVER SUPPORT	0	0	0	0	0	EA	58.33	10	1	EA	0	13	141	B21A01A
M	4240-99-000-2903	BACK SUPPORT BELT (LARGE)	0	0	0	0	0	EA	22.31	7	1	EA	0	13	000	E23B02
M	4240-99-000-2906	BACK SUPPORT BELT (XXXL)	0	0	0	0	0	EA	15.00	7	1	EA	0	13	000	E23B02
M	4930-99-000-3002	COUPLER, GREASE GUN	0	0	0	0	0	EA	2.71	7	1	EA	0	13	000	T10D00B
M	5110-00-188-8169	CHISEL, PARING	0	0	0	0	0	EA	0.00	7	1	EA	0	13	000	T10A02D
M	5110-00-203-4554	FILE, HAND, KNIFE TYPE, DBL CUT, SMO	0	0	0	0	0	EA	1.00	7	1	EA	0	13	000	T08A04B
M	5110-00-248-2848	FILE, HAND, FLAT TYPE, DBL CUT	0	0	0	0	0	EA	0.00	7	1	EA	0	13	000	T09A02C
M	5120-00-107-0055	EXTENSION, SOCKET WRENCH	0	0	0	0	0	EA	5.29	7	1	EA	0	13	000	T13H02E
M	5120-00-517-5047	WRENCH TAP AND REA	0	0	0	0	0	EA	24.32	7	1	EA	1	13	000	T12H03A
M	5120-00-696-1263	WRENCH, SKT, 6.500IN LG, 0.375 IN SUR	0	0	0	0	0	EA	0.00	7	1	EA	0	13	000	T12E02C
M	5120-01-335-2141	CROWFOOT, 17MM, 3/8-IN DRIVE	0	0	0	0	0	EA	6.16	7	1	EA	0	13	000	T15H05F
M	5120-99-000-2059	BALL END ALLEN W/HANDLE 2.5MM	0	0	0	0	0	EA	1.76	7	1	EA	0	13	000	T15E01C
M	5120-99-000-2061	WRENCH, MINI-STRAP	0	0	0	0	0	EA	21.13	7	1	EA	1	13	000	T10E01A
M	5120-99-000-2903	PULLER, MECHANICAL 3-JAW (SPREAD	0	0	0	0	0	EA	24.00	7	1	EA	0	13	000	T08E03A
M	5120-99-000-2622	WRENCH SET, ALLEN 5PC.	0	0	0	0	0	SE	6.16	7	1	SE	0	13	000	T08F04C
M	5120-99-000-2623	FOLDUP HEX KEY SET, 9-PC	0	0	0	0	0	SE	4.40	7	1	SE	1	13	000	T08F04B
M	5305-99-000-6017	SCREW, CAP HEX HEAD 1/2-13X1 1/2	0	0	0	0	0	BX	16.94	7	2	BX	0	11	000	S0505E
M	5310-99-000-3134	WASHER, LOCK 7/16	0	0	0	0	0	BX	0.05	7	2	BX	200	11	000	S0504C
M	5310-99-000-3135	WASHER, FLAT ZINC 7/16	0	0	0	0	0	BX	0.05	7	2	BX	200	11	000	S0504B

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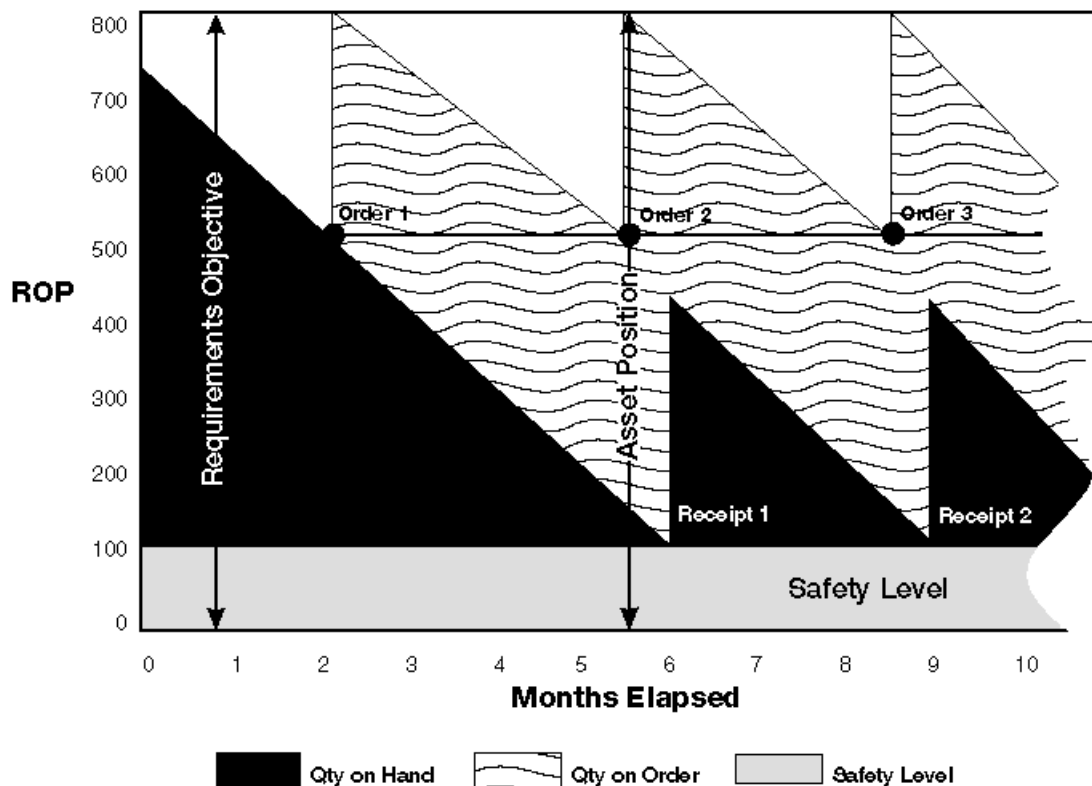
Page 1

Exhibit 423.14b

eMARS Reorder Report for Locally Procured Repairable Items

CAROL STREAM 500 E. FULLERTON AVE. CAROL STREAM, IL 60189-9731			INVENTORY MANAGEMENT REPORT Re-Order Report for Locally Procured and Repairable Items (N)										U.S.P.S.: eMARS Reports DATE: 03/23/2005 TIME: 11:15:01				
Total Value Greater Than or Equal To: \$0.00			From NSN To NSN					SEQUENCE: NSN									
SC	NSN	NOMENCLATURE	BOH	AP AVG	DUE IN	AP OH	ROP	LCL UOI	UNIT COST	P/L	BPQ	BP UOI	HIST Units	HIST MOs	GRP	LOCATION	
-- NO DATA FOUND --																	
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Page 1																	

Exhibit 423.23

Example of Invalid Due-in

For every item you order at regular intervals, you will always have some quantity in stock and some on order. The sum of the quantities on hand and on order is asset position. Looking at the graph halfway through month 5, the asset position is as follows:

Asset on hand

Safety level	100
Operating level	50

Asset due

From order 1	300
From order 2	<u>300</u>
Total assets	750

If, however, the replenishment order and/or shipment becomes lost, misdirected, or destroyed at any point along the replenishment chain, material is not available for issue when needed. The system still thinks the replenishment is on the way; therefore, it will not generate a new order to replace it. The only way to ensure that stock will be replenished is to properly manage the due-in.

Exhibit 423.24a
eMARS Parts Due-in Report

CAROL STREAM 500 E. FULLERTON AVE. CAROL STREAM, IL. 60189-9731			INVENTORY MANAGEMENT REPORT Due In Items Report				U.S.P.S.: eMARS Reports DATE: 03/23/2005 TIME: 10:13:03			
Extended Value Equal or Greater Than: \$0.00			From NSN: 2530-99-000-3884 To NSN: 9905-99-000-2001				SEQUENCE: NSN			
SRC CD	NSN	NOMENCLATURE	QTY DUE	BOH	UNIT COST	UOI	EXTENDED COST	LOCATION#1	LOCATION#2	LOCATION#3
L	2530-99-000-3884	AXLE ASSY RIGHT T-D OEM 41-152-11 LOC C34C2A	3	1	261.32	EA	261.32	C34C02A		
L	2940-99-000-2002	FILTER ELEMENT AIR SICKLESAR MOWER 81403	1	0	0.01	EA	0.02	D04C02A		
L	3010-00-891-4254	GREASECASE MOTOR	1	0	0.01	EA	0.00	W05D1A		
A	3010-02-000-0641	MOTOR, GEARCASE, 24RPM, 120VAC	1	1	210.77	EA	210.77	B54B01A		
L	3010-03-000-6700	COUPLING, SHAFT HALF	1	0	8.87	EA	0.00	B05D02G		
T	3010-04-000-1731	COUPLING, STEEL, HALF, W/KEYWAY & SETSCREW	2	0	7.17	EA	0.00	B05G02D		
I	3010-05-000-2123	CLUTCH/BRAKE ASSY, 2N, DOUBLE C-FACE MOUNT, W/CA	1	1	325.65	EA	325.65	B07I00A		
L	3010-99-000-1025	SEAL OIL	7	0	0.69	EA	0.00	C35G01D		
L	3010-99-000-1104	OIL-SEAL	4	2	5.51	EA	11.02	C35G03A		
L	3010-99-000-3000	INSERT, JAW-COUPLING	6	0	5.42	EA	0.00	B18F01C		
L	3010-99-000-3009	CLUTCH ASSY, BRAKE WARNER	1	0	561.85	EA	0.00	W01B02A		
L	3010-99-000-3016	REDUCER C-FLANGE 10:1 RATIO SZ 200 L-1 LOC W/CA	1	1	294.11	EA	294.11	W01C02A		
L	3010-99-000-3086	CLUTCH PLATE TENNANT SCRUBBER	2	0	12.30	EA	0.00	LJW DESK		
T	3020-02-000-2704	CHAIN, TRANSMISSION, 950 PITCH LENGTH, 3/8" PITCH	1	1	5.81	EA	5.81	B54B03A		
T	3020-02-000-3174	ROLLER, ASSEMBLY, IDLER	100	122	8.00	EA	979.06	C26C-ALL	C26D02A	F26B01A
T	3020-02-000-3181	ROLLER DRIVE DIA. 39MM X 61MM LG. 13.7MM BORE W/KE	3	0	6.21	EA	0.00	C16F01D		
T	3020-02-000-3183	ROLLER DRIVE FLANGED OD-50MM X LG- 60MM	120	0	3.29	EA	0.00	C26B02A		
L	3020-08-000-2030	ROLLER RETURN (SNUB)-[PPC] MPE PART	3	1	104.00	EA	104.00	W25C01		
L	3020-99-000-2020	SPROCKET, BROWNING-FOR SLEEVER, S, BEARING	1	0	25.16	EA	0.00	C03A02D		
L	3020-99-000-2022	PULLEY DRIVE(SLEEVER) AUTOMATIC FAB+EW3	1	0	83.60	EA	0.00	C03A03A		
L	3020-99-000-2503	PULLEY & SHAFT ASSY, TRIPLE	1	0	0.01	EA	0.00	TT8A01A		
L	3020-99-000-3057	SPROCKET HARD TEEN 1/2" DIA	1	0	14.00	EA	0.00	C05F00B		
L	3020-99-000-3080	PULLEY-CROWNED-FACE-3X18	1	0	264.00	EA	0.00	W14G02A		
L	3020-99-000-3083	PULLEY-PLAIN-FACE-3-1/2X15	1	0	141.00	EA	0.00	W14F02A		
L	3020-99-000-3089	SPROCKET 50B30 1 7/16 IN BORE	1	0	26.40	EA	0.00	C34A02S		
L	3020-99-000-3081	SHEAVE, V-BELT 10.6 "PD1-TA-GROOVE, 1-1/8D	1	0	30.04	EA	0.00	C06B00B		
L	3020-99-000-3092	PULLEY, TRAYED MAIL TAKE UP, 4X20	1	0	122.00	EA	0.00	W14G01A		
L	3020-99-000-3093	PULLEY, TRAYED MAIL DRIVE, 4X20	1	0	142.00	EA	0.00	W14G01B		
L	3020-99-000-3095	PULLEY, TRAYED MAIL IDLER, 4X20	1	0	122.00	EA	0.00	W14G01C		
L	3020-99-501-0029	DRIVE 2-HP VARIABLE FREQUENCY CUTLER-HAMMER	1	0	871.87	EA	0.00	W25C02		
T	3030-01-000-6913	BELT FEEDER TRANSPORT 2725MM (8.940 FT LG)	5	3	40.72	EA	122.15	F46-4B		

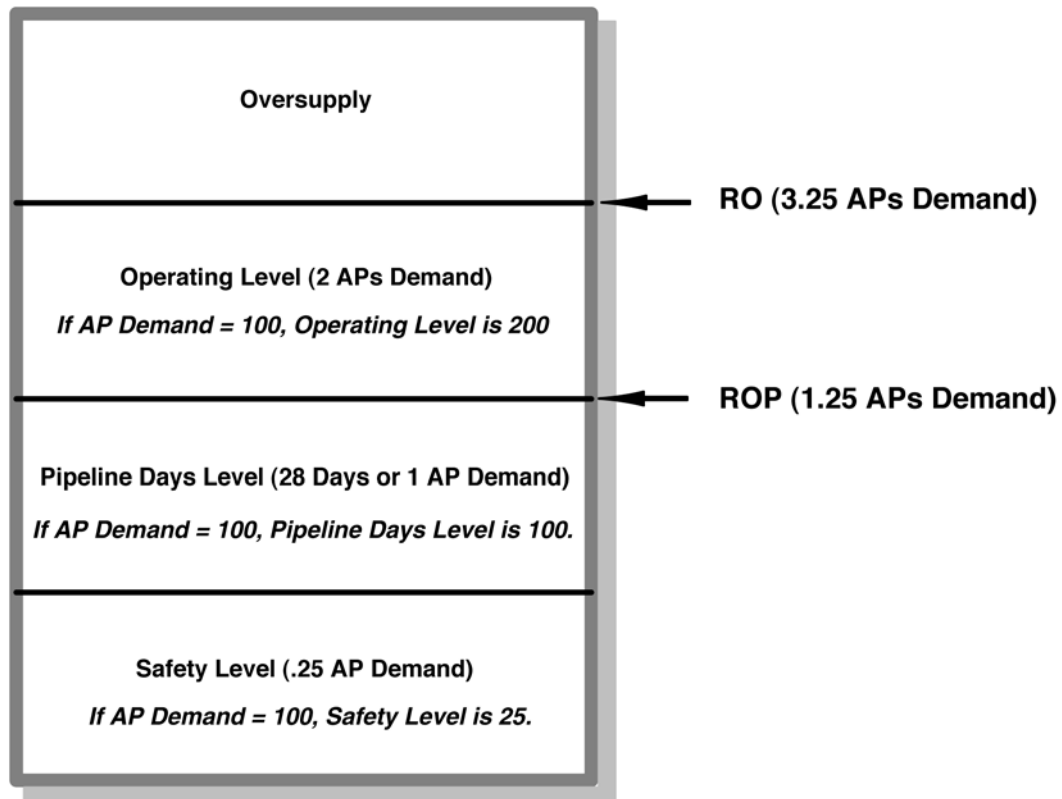
Exhibit 423.24b

eMARS Pending Order Report

CAROL STREAM 500 E. FULLERTON AVE. CAROL STREAM, IL. 60190-9731			INVENTORY MANAGEMENT REPORT PENDING Orders Report				U.S.P.S.: eMARS Reports DATE: 03/23/2005 TIME: 10:13:03		
From NSN: 2940-99-000-2002 To NSN: Oxy Gas refill			From Date: 01/26/2005 To Date: 03/16/2005		SEQUENCE: NSN				
SRC CD	NSN	NOMENCLATURE	CLERK	QTY	ACRONYM	WO #	LOCATION	ORDER DATE	TOTAL COST
L	2940-99-000-2002	FILTER ELEMENT AIR SICKLEBAR MOWER B14D3	XX	1			D04C02A	03/04/2005	0.01
Filled: N Ordered For: For Stock			Status: PENDING						
L	3010-00-801-4204	GREASECASE MOTOR	XX	1			W05D1A	02/06/2005	0.01
Filled: N Ordered For: For Stock			Status: PENDING						
L	3010-03-000-5705	COUPLING, SHAFT HALF	XX	1			B09D02G	02/03/2005	8.87
Filled: N Ordered For: For Stock			Status: PENDING						
L	3010-99-000-3000	INSERT;JAW-COUPLING	XX	6			B18F01C	03/08/2005	36.04
Filled: N Ordered For: FOR STOCK			Status: PENDING						
L	3010-99-000-3009	CLUTCH ASSY, BRAKE WARNER	XX	1			W01802A	03/04/2005	551.85
Filled: N Ordered For: For Stock			Status: PENDING						
L	3010-99-000-3018	REDUCER C-FLANGE 10:1 RATIO SZ 200 L-1 LOC W1C2A	XX	1			W01C02A	02/14/2005	294.11
Filled: N Ordered For: For Stock			Status: PENDING						
L	3020-99-000-2020	SPROCKET,BROWNING-FOR SLEEVER,B BEARING	XX	1			C03A02D	02/03/2005	25.10
Filled: N Ordered For: For Stock			Status: PENDING						
L	3020-99-000-2022	PULLEY,DRIVE(SLEEVER);AUTOMATIC FAB+ENG	XX	1			C02A03A	02/03/2005	83.00
Filled: N Ordered For: For Stock			Status: PENDING						
L	3020-99-000-2503	PULLEY & SHAFT ASSY, TRIPLE	XX	1			TT8A01A	02/03/2005	0.01
Filled: N Ordered For: For Stock			Status: PENDING						
L	3020-99-000-3057	SPROCKET HARD TEEN 1/2" DIA	XX	1			C05F09B	02/03/2005	14.00
Filled: N Ordered For: For Stock			Status: PENDING						
L	3020-99-000-3060	PULLEY-CROWNED-FACE-3X18	XX	1			W14G02A	02/03/2005	254.00
Filled: N Ordered For: For Stock			Status: PENDING						
L	3020-99-000-3063	PULLEY-PLAIN-FACE-3-1/2X15	XX	1			W14F02A	02/03/2005	141.00
Filled: N Ordered For: For Stock			Status: PENDING						
L	3020-99-000-3069	SPROCKET 50B30 1 7/16 IN BORE	XX	1			C34A02B	02/03/2005	29.40
Filled: N Ordered For: For Stock			Status: PENDING						

inv000.rtf Page 1

Exhibit 423.33

Requirements Stack

Hypothetical Requirements Stack, NMICS/MARS. Pipeline days may vary. Reorder point (ROP) and requisitioning objective (RO) adjust accordingly.

Exhibit 423.34
eMARS Low/No Issues Report

CAROL STREAM
500 E. FULLERTON AVE.
CAROL STREAM, IL 60188-9731

INVENTORY MANAGEMENT REPORT

Low or No Issues (Active Items Only)

(FEWER THAN 4 ISSUES IN THE PREVIOUS 12 MONTHS)

Total Value Greater Than or Equal To: \$0.00

SEQUENCE: NSN

U.S.P.S.: eMARS Reports

DATE: 03/23/2005

TIME: 11:15:01

SC	NSN	NOMENCLATURE	Primary OEM	MTH AVG	DUE	BOH	UOI	UNIT COST	TOTAL COST	P/L	BPQ	BP UOI	HISTORY QTY	MN	GRP CD 1	LOCATION
L	2400-00-000-2000	BASKET, SOAP	43516A	0	0	2	EA	0.01	.02	7	1	EA	0	13	995	C40H01A
T	2520-00-000-3402	BREATHER, PLUG, BRASS, 1/8 NPT, 0.44	20311-1	0	0	10	EA	1.29	12.90	10	1	EA	0	13	087	B13.00C
T	2530-03-000-5463	CYLINDER, PNEUMATIC	44.1702.030-13	0	0	3	EA	243.36	730.08	10	1	EA	0	13	057	B05F03A
T	2530-03-000-5464	CYLINDER, PNEUMATIC	44.1702.030-14	0	0	3	EA	252.58	758.05	10	1	EA	0	13	087	F23C01
T	2530-05-000-2121	BRAKEMOTOR 2HP WITH STEARNS SER	1FSM563363	0	0	1	EA	0.00	.00	7	1	EA	0	13	060	W25A01
L	2530-99-000-3662	CAP VENT BATTERIES		0	0	36	EA	0.59	21.24	7	1	EA	0	13	336	C33C03C
L	2540-02-000-2374	SHOCK ABSORBER	25359 23-2	0	0	2	EA	0.00	.00	7	1	EA	0	13	013	B42C01H
T	2540-05-000-2623	SHOCK ABSORBER SORT MODULE	10ET311363	0	0	20	EA	0.62	12.36	10	1	EA	0	13	060	B10C03F
L	2550-99-000-0001	KIT CALIPER BODY CUR, TOYOTA	04475-10070-71	0	0	2	EA	17.31	34.62	7	1	EA	1	13	930	C36B04D
L	2560-99-000-0002	PIN SNOW PLOW	93028	0	0	1	EA	5.95	5.95	7	1	EA	1	13	999	D11C03B
L	2630-99-000-2001	TUBE TIRE SULKY C39A01B	4.8014.00-5	0	0	2	EA	4.88	9.72	7	1	EA	0	13	990	C39A01B
L	2630-99-000-2500	TUBE INNER TRICYCLE (25X1.8-SCHRAD	4923A	0	0	8	EA	5.55	44.40	7	1	EA	0	13	995	D12J04B
L	2630-99-000-2501	WHEELS, DIVERTOR		0	0	13	EA	0.01	.13	7	1	EA	0	13	114	C06C02A
L	2910-99-000-0001	PCB ASSY TOYOTA FORKLIFT C43F01A	24230-12240-71	0	0	1	EA	606.27	606.27	7	1	EA	0	13	099	C43F01A
L	2910-99-000-0002	PCB ASSY TOYOTA FORKLIFT C43F01B	24210-12240-71	0	0	1	EA	1,233.77	1,233.77	7	1	EA	0	13	099	C43F01B
T	2930-01-000-8745	SWITCH, INTERLOCK	144-0300-001	0	0	2	EA	0.01	.02	10	1	EA	0	13	060	B13E03A
T	2940-01-000-7270	FILTER OIL REMOVAL B06C01A	200-0004-001	0	0	1	EA	66.66	66.66	10	1	EA	0	13	127	B06C01A
T	2940-01-000-7271	FILTER/REGULATOR	8740-4AK-QP1-RM	0	0	2	EA	61.34	122.68	10	1	EA	0	13	127	B47A03A
T	2940-02-000-2346	FILTER, OIL REMOVAL PE 1/2 IN PTF POR	200-0163-001	0	0	1	EA	160.08	160.08	10	1	EA	0	13	013	B47A02A
T	2940-02-000-2348	FILTER/REGULATOR/LUBRICATOR ASSY	C73H-2AK-QT3-RM	0	0	1	EA	79.23	79.23	10	1	EA	1	13	013	B47A01A
T	2940-03-000-2224	FILTER ELEMENT TYPE C	MTP-95-548	0	0	4	EA	23.54	94.16	10	1	EA	1	13	141	B21F04C
L	2940-99-000-2000	FILTER ELEMENT OIL INGERSOLL RAND	39856836	0	0	1	EA	109.50	109.50	7	1	EA	2	13	099	F20B05
L	2940-99-000-2001	FILTER OIL OUTDOOR SWEEPER C3	39703-2	0	0	2	EA	6.40	12.80	31	1	EA	0	13	940	C36J03B
L	2940-99-000-2002	FILTER ELEMENT AIR SICKLEBAR MOWE	1750330	0	1	0	EA	0.01	.03	7	1	EA	0	13	995	D04C02A
L	2940-99-000-2003	FILTER AIR PRE-CLEAN SICKLEBAR MW	1767284	0	0	1	EA	0.10	.10	7	1	EA	0	13	995	D04C02B
L	2940-99-000-2500	FILTER ELEMENT AIR SKAG C36B1C	45-063-02	0	0	2	EA	9.70	19.40	7	1	EA	0	13	099	C36B01B
L	2940-99-000-3000	FILTER AIRLINE	06E26A13A	0	0	11	EA	87.00	957.00	7	1	EA	0	13	200	C01L03A
L	2940-99-000-3001	LUBRICATOR AIRLINE C01L01A	16L22E PARKER	0	0	7	EA	60.00	420.00	7	1	EA	0	13	200	C01L01A
L	2940-99-000-3008	FILTER FUEL C36C00C	86031	0	0	4	EA	3.22	12.88	7	1	EA	0	13	099	C36C00C
L	2940-99-000-3009	FILTER, OIL	52 050 02	0	0	5	EA	9.30	46.50	7	1	EA	2	13	099	C36B01C
L	2940-99-000-4001	FILTER AIR LINE 46.0	14E11B12F	0	0	3	EA	31.30	93.90	28	1	EA	0	13	200	C09C02A

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Page 1

Exhibit 423.44a

eMARS Open Orders Report

CAROL STREAM 500 E. FULLERTON AVE. CAROL STREAM, IL. 60190-9731			INVENTORY MANAGEMENT REPORT OPEN Orders Report					U.S.P.S.: eMARS Reports DATE: 03/23/2005 TIME: 10:13:03	
From NSN: 011138911946 To NSN: tire front			From Date: 10/15/2004 To Date: 03/18/2005		SEQUENCE: NSN				
SRC CD	NSN	NOMENCLATURE	CLERK	QTY	ACRONYM	WO #	LOCATION	ORDER DATE	TOTAL COST
L	011138911946	screens paint for 5 gal paint pails	JW	12	BLDG	135		12/29/2004	29.82
	Filled: N	Ordered For: TERRY HOWE	Status: PENDING						
L	051115038635	Tape painters blue 2inch	JW	24	BLDG	135		12/29/2004	143.52
	Filled: N	Ordered For: TERRY HOWE	Status: PENDING						
L	078435739338	roller 9 inch 3/8 nap	JW	12	BLDG	135		12/29/2004	47.82
	Filled: N	Ordered For: TERRY HOWE	Status: PENDING						
L	078435803855	pole extension 2 to 4 feet	JW	2	BLDG	135		12/29/2004	38.88
	Filled: N	Ordered For: TERRY HOWE	Status: PENDING						
L	1335	1X4X10 PINE BOARDS	MV	15	BLDG	8		10/28/2004	88.25
	Filled: N	Ordered For: KENNETH PELECH	Status: PENDING						
L	15-002-05	special dual axle for taylor dunn mule sn: 120301- E4-57	JW	1	MOPE	119		11/24/2004	133.00
	Filled: N	Ordered For: STEVE WILLIAMS	Status: PENDING						
L	1648	dover white semi-gloss int in 5 gal tubs	JW	10	BLDG	135		12/29/2004	173.50
	Filled: N	Ordered For: TERRY HOWE	Status: PENDING						
L	173-1796	9 inch soft screen covers 1/4 nap	JW	4	BLDG	135		12/29/2004	17.92
	Filled: N	Ordered For: TERRY HOWE	Status: PENDING						
L	18-E80S-13	exide SN AZB-225517 battery 3 yr warranty	JW	1	BATTERY	3		11/23/2004	300.00
	Filled: N	Ordered For: ROBERT STEWART	Status: PENDING						
L	18-E80S-17	exide SN RBL-204072 battery 3 yr warranty	JW	1	BATTERY	3		11/23/2004	300.00
	Filled: N	Ordered For: ROBERT STEWART	Status: PENDING						
L	18-e80s-13	exide battery 18-e80s-13 batty b-3 NS AXE-236309 3yr war	JW	1	BATTERY	3		02/05/2005	300.00
	Filled: N	Ordered For: ROBERT STEWART	Status: PENDING						
L	18-e80s-17	exide battery 18-e80s17 batty b-43 ns rbl-204074 3yr warrant	JW	1	BATTERY	3		02/05/2005	300.00
	Filled: N	Ordered For: ROBERT STEWART	Status: PENDING						
L	20002	screw cap 1/4 x 5/8	JW	2	BLDG	143		01/10/2005	0.17
	Filled: N	Ordered For: WILLIAM BUCKINGHAM	Status: PENDING						

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Page 1

Exhibit 423.44b

eMARS Open Local Orders Report

CAROL STREAM
500 E. FULLERTON AVE.
CAROL STREAM, IL 60189-9731

INVENTORY MANAGEMENT REPORT

OPEN Local Orders Report

U.S.P.S.: eMARS Reports
DATE: 03/23/2005
TIME: 10:50:53

From NSN: 011138911946
To NSN: tire front

From Date: 10/15/2004
To Date: 03/18/2005

SEQUENCE: NSN

SRC CD	NSN	NOMENCLATURE	CLERK	QTY	ACRONYM	WO #	LOCATION	ORDER DATE	TOTAL COST
L	011138911946	screens paint for 5 gal paint pails	JW	12	BLDG	135		12/29/2004	29.52
Control No: PO2005698331		Vendor: SHERWIN-WILLIAMS CO.	Status: PENDING						
L	051115036835	Tape painters Blue 2inch	JW	24	BLDG	135		12/29/2004	143.52
Control No: PO2005698331		Vendor: SHERWIN-WILLIAMS CO.	Status: PENDING						
L	078435736338	roller 9 inch 3/8 nap	JW	12	BLDG	135		12/29/2004	47.52
Control No: PO2005698331		Vendor: SHERWIN-WILLIAMS CO.	Status: PENDING						
L	078435803855	pole extension 2 to 4 feet	JW	2	BLDG	135		12/29/2004	38.88
Control No: PO2005698331		Vendor: SHERWIN-WILLIAMS CO.	Status: PENDING						
L	1335	1X4X10 PINE BOARDG	MV	15	BLDG	8		10/28/2004	86.25
Control No: PO2005523839		Vendor: MURPHY ACE HOME CENTER	Status: PENDING						
L	15-002-05	special dual axle for taylor dunn mule sn: 120901- E4-67	JW	1	MOPE	119		11/24/2004	133.00
Control No: PO2005601360		Vendor: CROWN LIFT TRUCK #8129	Status: PENDING						
L	1548	cover white semi-gloss int in 6 gal tubs	JW	10	BLDG	135		12/29/2004	173.50
Control No: PO2005698331		Vendor: SHERWIN-WILLIAMS CO.	Status: PENDING						
L	173-1796	9 inch soft woven covers 1/4 nap	JW	4	BLDG	135		12/29/2004	17.62
Control No: PO2005698331		Vendor: SHERWIN-WILLIAMS CO.	Status: PENDING						
L	18-E80S-13	exide SN AZB-225517 battery 3 yr warranty	JW	1	BATTERY	3		11/23/2004	300.00
Control No: PO2005537983		Vendor: ENERSYS INC	Status: PENDING						
L	18-E80S-17	exide SN RBL-204072 battery 3 yr warranty	JW	1	BATTERY	3		11/23/2004	300.00
Control No: PO2005537983		Vendor: ENERSYS INC	Status: PENDING						
L	18-e80s-13	exide battery 18-e80s-13 batty b-3 NS AXE-236309 3yr warran	JW	1	BATTERY	3		02/05/2005	300.00
Control No: PO2005830004		Vendor: ENERSYS (BATTERY CONTRACT	Status: PENDING						
L	18-e80s-17	exide battery 18-e80s17 batty b-43 ns rbl-204074 3yr warranty	JW	1	BATTERY	3		02/05/2005	300.00
Control No: PO2005830004		Vendor: ENERSYS (BATTERY CONTRACT	Status: PENDING						
L	20002	screw cap 1/4 x 5/8	JW	2	BLDG	143		01/19/2005	0.17
Control No: PO2005769532		Vendor: TEMCO MACHINERY	Status: PENDING						

inv021.rdf

Page 1

inv021.rdf

Page 1

Exhibit 453.1

Stock Number System Codes Explanation**Stock Number System Codes Explanation****NSN Format**

Example of a complete NSN:

7305 01 545 8782**Local Stock Number Format**

Example of a Local Stock Number:

7305 99 000 8782**Explanation**

The first four digits of both the NSN and LSN are the Federal Supply Classification:

7305

The first two are the Federal Supply Group, a broad commodity description:

73 = furniture

The last two are a more specific description:

05 = office furniture

The fifth position is a dash (–) or space:

The next two digits (sixth and seventh positions) are the Codification Bureau, usually called the “country code,” representing the country that entered the item into the cataloging system:

00 and **01** = USA-entered**99** = postal-entered, locally assigned

The eighth position is a dash (–) or space.

Positions 9 through 16, with a dash or space in the 12th position, are numbers sequentially assigned by the computer. They do not signify anything without the other six.

00 8782

Exhibit 462.21
eMARS ABC Stratification Report

CAROL STREAM
500 E. FULLERTON AVE.
CAROL STREAM, IL 60199-9731

INVENTORY MANAGEMENT REPORT
ABC Stratification

U.S.P.S.: eMARS Reports
DATE: 03/23/2005
TIME: 11:15:01

Total Value Greater Than or Equal To: \$0.00

("A" Factors Only)

SEQUENCE: NSN

FACTOR: A

SRC CD	NSN	NOMENCLATURE	BOH	INV. VALUE	MTHS OH	Excess Item?	EXCESS VALUE	GRP CD	LOCATION1	LOCATION2	LOCATION3
L	2530-99-000-3584	AXLE ASSY RIGHT T-D OEM 41-163-11	1	261.32	2	NO	.00	300	C34C02A		
T	2540-05-000-3003	ABSORBER SHOCK ADJ 1" STROKE JA	26	1,239.76	26	NO	.00	060	B06B02A		
T	2540-05-000-2624	SHOCK ABSORBER ADJUSTABLE .75" S	15	490.80	15	NO	.00	060	B06B03A		
T	2540-05-000-3525	SHOCK ABSORBER ADJUSTABLE OEM	15	385.40	15	NO	.00	060	B06B03B		
T	2040-02-000-3373	FILTER, AIR, FOAM MESH	2	16.50	2	NO	.00	156	C24E01B		
A	3010-02-000-0641	MOTOR, GEARCASE, 24RPM, 120VAC	1	210.77	1	NO	.00	129	B54B01A		
T	3010-02-000-0041	SHOE ASSY, FRICTION, AFCS, SINGULATO	2	33.07	2	NO	.00	013	B41C02B		
T	3010-02-000-3090	COUPLING FLEXIBLE 2.110" DIA. 2.50" L	2	58.39	2	NO	.00	156	C24A03B		
I	3010-05-000-2123	CLUTCH BRAKE ASSY, 24V, DOUBLE C-F	1	325.65	1	NO	.00	060	B07102A		
L	3010-99-000-3065	INSERT, LOVEJOY COUPLING 4 DBCS L&	20	67.00	3	NO	.00	156	C24A03C		
L	3010-06-000-1101	BRAKE DRUM TYLER-DUNN OEM 41-532-	2	97.94	99	NO	.00	906	C33F02B		
L	3010-99-000-3000	INSERT, JAW-COUPLING	0	.00	0	NO	.00	200	B16F01C		
T	3020-01-000-3477	ROLLER TENSION ASSEMBLY	12	216.78	12	NO	.00	156	B24H02A		
T	3020-01-000-3512	GUIDE, ROLLER CHAIN, 468MM L	2	10.26	2	NO	.00	127	B52G03A		
T	3020-01-000-3529	PULLEY, CURVED 45MM DIA, X 40MM W	4	29.60	2	NO	.00	127	B24E01C		
T	3020-01-000-3548	WHEEL, SPROCKET ROLLER CHAIN (ALT	6	55.08	6	NO	.00	127	B23B04F		
T	3020-01-000-3571	ROLLER, DRIVE	2	14.86	2	NO	.00	127	C16F03D		
T	3020-01-000-3573	ROLLER, DRIVE, 44MM DIA, 40MM W, 13.8	6	20.78	2	NO	.00	127	B54G02A		
T	3020-01-000-3590	PULLEY, FLAT BELT, 52MM DIA., 13.7MM	2	11.14	1	NO	.00	127	C24H06B		
T	3020-01-000-3636	ROLLER, DRIVE, 95.5MM DIA., 35MM W, 1	87	764.73	44	NO	.00	127	C17D-ALL		
T	3020-01-000-3646	PULLEY, CURVED	6	145.62	3	NO	.00	127	C23A01B		
T	3020-01-000-4266	PULLEY, PICK-OFF BELT, 70MM L, 60MM D	4	22.26	2	NO	.00	127	C17E04A		
T	3020-01-000-4741	ROLLER, COMPENSATING, LEVELER ASS	6	14.33	1	NO	.00	127	B24B01A		
T	3020-01-000-4749	PULLEY, TIMING DISC ASSY	2	41.66	2	NO	.00	127	B24B01B		
T	3020-01-000-4782	ROLLER, FOAM, OCR/BCS STACKER	50	115.00	1	NO	.00	127	B50G & H		
T	3020-01-000-4794	PULLEY ASSY, GROOVED IDLER	994	642.12	2	NO	.00	127	B52G01A		
T	3020-01-000-4971	ROLLER ASSY, IDLER	14	115.42	1	NO	.00	127	B52E02A		
T	3020-01-000-4965	ROLLER ASSY	36	356.23	7	NO	.00	127	B52H01A		
T	3020-01-000-4994	ROLLER, IDLER ASSY	316	5,571.30	25	NO	.00	127	A07D-ALL &	A07E01A	
T	3020-01-000-7004	PULLEY, FLAT BELT, 62MM DIA.	250	372.50	1	NO	.00	127	C26A-ALL		

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Page 1

Exhibit 471.333 (Part I)

eMARS Stock Level and Location Accuracy Report

OHARE AMF 11900 WEST IRVING PARK RD CHICAGO, IL, 60668-9993	INVENTORY MANAGEMENT REPORT Stock Level and Location Accuracy Report Search Date Range: 2005-01 To 2005-04	U.S.P.S.: eMARS Reports DATE: 03/23/2005 TIME: 11:27:33
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PART I

FISCAL YEAR	MTH	CYCLE COUNT ITEMS	CYCLE COUNT OUT OF TOLERANCE	CYCLE COUNT INVENTORY ACCURACY	STATISTICAL INVENTORY ACCURACY	STATISTICAL LOCATION ACCURACY	NEGATIVE ADJUSTMENTS		POSITIVE ADJUSTMENTS	
							Count	Value	Count	Value
2005	1	510	11	97.84	98.60	100.00	21	103.22	85	95.38
2005	2	0	0	0.00	100.00	100.00	197	247.52	63	194.77
2005	3	0	0	0.00	100.00	100.00	18	7.87	38	58.51
2005	4	544	12	97.79	97.90	100.00	22	32.38	21	181.54

* Prior to eMARS conversion MTH = AP

(continued)

Exhibit 471.333 (Part II)

eMARS Stock Level and Location Accuracy Report

OHARE AMF
11800 WEST IRVING PARK RD
CHICAGO, IL 60668-0993

INVENTORY MANAGEMENT REPORT
Stock Level and Location Accuracy Report

Search Date Range: 2005-01 To 2005-04

U.S.P.S.: eMARS Reports
DATE: 03/23/2005
TIME: 11:27:33

PART II

MTH	FISCAL YEAR		# ITEMS	AMOUNT		# ITEMS	AMOUNT	SUGGESTED / ACTUAL AMOUNT	EMERGENCY CALLS	DATE
1	2005	CENTRAL:	1,801	285,888.98	ISSUED:	307	23,728.10	581,228.30	0	11/01/04
		LOCAL:	3,873	688,264.69	RECEIVED:	110	63,212.88			
		GOVT:	435	17,559.12	TRANSFERRED:	0	0.00			
2	2005	CENTRAL:	1,500	278,330.18	ISSUED:	352	20,204.20	604,639.75	0	12/01/04
		LOCAL:	3,808	650,953.53	RECEIVED:	108	30,449.08			
		GOVT:	430	16,840.08	TRANSFERRED:	1	6.16			
3	2005	CENTRAL:	1,599	274,711.31	ISSUED:	379	25,063.03	606,418.02	0	01/01/05
		LOCAL:	3,817	658,901.18	RECEIVED:	148	48,512.15			
		GOVT:	430	16,912.89	TRANSFERRED:	0	8.25			
4	2005	CENTRAL:	1,507	276,150.17	ISSUED:	285	32,512.73	612,305.27	0	03/01/05
		LOCAL:	3,821	682,717.54	RECEIVED:	144	48,248.51			
		GOVT:	429	17,864.39	TRANSFERRED:	0	9.01			

* Prior to eMARS conversion MTH = AP

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Page 2

Exhibit 471.334a
Statistical Sample Report

STATISTICAL SAMPLE REPORT										
BEDFORD PARK 6801 WEST 73RD STREET BEDFORD PARK, IL 60499-9731						U.S.P.S.: eMARS Reports DATE: 03/23/2005 TIME: 10:44:09				
ROOM	LOCATION	LOCATION2	LOCATION3	NSN	NOMENCLATURE	FACTOR	GROUP	UNIT	BOH	ACTUAL BOH
A	A3C2-3			3910-05-000-9914	CHANNEL, FILLET, LH	C	081	EA	1	
A	A3G2-3			3110-01-321-4058	BEARING BALL, 4 X 15 X 5MM, 2 SHIELDS	C	172	EA	4	
A	A3G4-1			3030-05-000-7804	BELT, FLAT, TP-15, 450MM D X 25MM W X 2MM	C	172	EA	2	
A	A4D3-4			5620-04-000-0202	FUSE MINI-ATM-15 (AAA) 15A, 32V	B	199	EA	37	
A	A4J1-1			5620-05-000-9077	FUSE, SLOW BLOW, 2.5 A, 250 V	C	172	EA	1	
A	A4K2-1			3030-02-000-0779	BELT, FLAT, D.8 X 2382MM FNOM L, 80MM W	C	013	EA	2	
A	B10A1-1			3015-85-150-5174	STRIP FRICTION	A	127	EA	297	
A	B10B3-2			3815-02-000-1817	GAUGE, NYLON	C	126	EA	3	
A	B10C4-3			3020-02-000-5000	SPINDLE ROLLER	C	128	EA	1	
A	B10H4-3			4140-01-290-3009	FAN TUBEXIAL 115 V	C	127	EA	1	
A	B11A2-3			3120-01-000-3633	BEARING SLEEVE 5X7X5	C	127	EA	10	
A	B11C1-4			3120-01-000-3551	WHEEL, GUIDE	B	127	EA	1	
A	B11D1-1			3020-01-000-5977	ROLLER ASSEMBLY	C	127	EA	3	
A	B12A2-3			7005-01-000-9862	SHIELD P E	B	127	EA	2	
A	B12B4-2			5340-02-000-4278	CLIP, SPRING	C	130	EA	5	
A	B12B3-1			5630-05-000-9961	PUSH BUTTON TYPE-1 NON ILLUM WHITE	C	013	EA	5	
A	B5A1-07			0210-01-082-0250	INDICATOR LENS GREEN	C	087	EA	1	
A	B5A5-3			3110-03-000-5436	BEARING BALL ANNULAR 15X32X9	B	087	EA	2	
A	B5B1-5			4730-03-000-5444	CONNECTOR AIR HOSE	B	087	EA	14	
A	B5C2-01			5340-03-000-5203	PLUG STANDARD 6MM	C	087	EA	10	
A	B5C2-05			4730-03-000-5521	MUFFLER BREATHER 10-32	C	087	EA	1	
A	B5C5-2			3010-03-000-9492	COUPLING FLEXIBLE INSERT	B	087	EA	24	
A	B5D3-5			3020-03-000-5654	PULLEY CURVED	C	087	EA	1	
A	B5G1-3			5340-03-000-5429	BRACKET REINFORCE 108MM L 23MM W	B	087	EA	2	
A	B5G3-04			5365-03-000-5760	SPACER PLATE	C	087	EA	2	
A	B5H2-7			0210-03-000-5562	LENS ROUND GREEN	C	087	EA	1	
A	B5H3-05			0120-03-000-5531	POWER SUPPLY PUSHBUTTON	C	087	EA	1	
A	B5J3-05			5360-03-000-5793	SPRING FLAT	C	087	EA	2	
A	B5J3-2			3040-03-000-5650	SHAFT STRAIGHT	C	087	EA	1	
A	B7A2-3			5315-03-000-5748	PIN STRAIGHT HEADLESS	C	087	EA	3	
A	B7A4-4			5310-12-172-3251	WASHER FLAT 25 X 35 X 0.5MM	C	087	EA	3	
A	B7H1-1			3815-04-000-5040	ADJUSTER, PIVOT, CASTER RMBCR	B	082	EA	1	
A	B8F1-1			6150-03-000-4802	CABLE ASSY, VIDEO DATA	C	138	EA	2	

Inventory Management MISP Summary Report

HOUSTON FMO

5207 WAKEFOREST STREET

HOUSTON, TX. 77005-4094

INVENTORY MANAGEMENT REPORT

MISP Summary

Fiscal Year: 2005

Month: 01

U.S.P.S.: eMARS Reports

DATE: 03/23/2005

TIME: 11:07:01

STATISTICS	ITEMS INVENTORIED	VALUE	PERCENT OF VALUE
Centrally Procured	832	\$197,754.00	73.46 %
Government Procured	57	\$6,274.59	2.33 %
Locally Procured	1,367	\$65,162.99	24.21 %
Total Inventory	2,256	\$269,191.58	
Issues	622	\$42,010.63	
Receipts	133	\$53,128.98	
Transfers	1	\$15.36	
Total Transactions	756	\$95,154.96	
Adjustments (Positive)	0	\$0.00	
Adjustments (Negative)	0	\$0.00	
Total Adjustments	0	\$0.00	

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Today's Inventory Summary for: ALL STOCKROOMS

Critical Items	103	\$42,687.83	17.12 %
Insurance Items	1	\$804.00	0.32 %
Zero Cost Items	152	---	
Reparable Items	91	\$106,412.09	42.68 %
Potential Excess Inventory	1,617	\$81,212.92	32.57 %

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Page 1

Exhibit 472.21a

Location Inventory Discrepancy Report**LOCATION/INVENTORY DISCREPANCY**SITE: _____ DATE: _____
_____**1. DISCREPANCY:**

NSN: 7490-88-555-4000, ENCODER ASSY.

STOCK BALANCE INQUIRY (PNMIC-05) BOH 2. PHYSICAL COUNT WAS 0**2. CAUSES:**

PERFORMED AN INVENTORY AUDIT ON 4/10/90 AND FOUND THE BALANCE ON HAND DID NOT AGREE WITH PHYSICAL COUNT. SPOKE WITH THE SUPERVISOR TO DETERMINE WHY THIS SITUATION EXISTED. REVIEWED THE FOLLOWING REPORTS FOR THE PAST TWO DAYS TO DETERMINE THE INVENTORY ACCURACY OF THIS ITEM:

REVIEW OF THESE REPORTS DID NOT HELP SOLVE THE DISCREPANCY. THE SUPERVISOR FELT THAT THERE WERE OTHER POSSIBLE CAUSES FOR THIS DISCREPANCY SUCH AS:

3. CORRECTIVE ACTION PLAN:

IN SPEAKING WITH THE SUPERVISOR, A DETERMINATION WAS MADE TO TAKE ONE OR MORE OF THE FOLLOWING STEPS TO RESOLVE THIS SITUATION:

4. FOLLOW-UP ACTIONS AND DATES:

THIS ITEM WILL BE INCLUDED IN THE FOLLOWING CONTROL GROUP COUNTS AND STATISTICAL SAMPLINGS UNTIL INVENTORY IS CORRECTED AND MAINTAINED.

5. RESULTS:

Exhibit 472.21b

Location Inventory Discrepancy Report

LOCATION/INVENTORY DISCREPANCY

SITE: _____ DATE: _____

1. **DISCREPANCY:**

2. **CAUSES:**

3. **CORRECTIVE ACTION PLAN:**

4. **FOLLOW-UP ACTIONS AND DATES:**

5. **RESULTS:**

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5 Asset Accountability

51 Definitions

511 **Responsibility, Accountability, and Control**

The words “responsibility,” “accountability,” and “control” are often used interchangeably but have important distinctions. Postal Service material management distinguishes among them in the following ways:

- a. *Responsibility.* Responsibility is part of the job and cannot be delegated. Responsibility includes possible monetary reimbursement for loss of or damage to property.
- b. *Accountability.* Accountability imposes responsibility for record keeping, physical inventorying, financial reporting, safeguarding, and other controls necessary for optimal maintenance, use, and disposal of Postal Service property. The installation head will always retain responsibility but may delegate accountability to someone in writing.
- c. *Control.* Control is the management, oversight, and regulation of the systems and processes used to account for the material. Successful managers of property assume responsibility, maintain current accurate records, and ensure oversight of the systems and processes for their finance number.

512 **Capital Property**

Capital property is an item acquired through purchase, transfer, or donation that meets each of the following criteria:

- a. Service life of more than 1 year.
- b. Can be identified as stand-alone item of property throughout the useful life.
- c. Unit cost is \$10,000 or more.
- d. Depreciates in value.

513 **Expendable Property**

Expendable property includes items costing less than \$10,000. Repair parts, replacement components (e.g., motors, compressors), most mail transport equipment, workroom furniture, and the like, regardless of cost, are also expendable property. The costs of these items are charged to an expense account and are not depreciated.

514 **Sensitive Property**

Sensitive property is property considered especially vulnerable to theft or loss. Examples include computers, digital cameras, camcorders, projectors, and other valuable portable equipment the installation head considers vulnerable to theft or loss.

52 Postal Service Automated System

521 **General**

The Postal Service has property reports available in the Accounting Data Mart (ADM) that provide assistance to account properly for capital property. Information in the ADM reports comes directly from the Property and Equipment Accounting System (PEAS).

522 **Property and Equipment Accounting System**

522.1 **Description**

PEAS is a system used by the accounting service center (ASC) at San Mateo, California. The system is designed to record capital personal property transactions and maintain a national inventory of capital personal property. The system tracks each item of capital personal property through the acquisition, use, and disposal stages. The PEAS inventory record is related to the finance number of the installation to which the property is assigned. It can provide accountability information within the finance number. A primary function of the PEAS is to calculate, allocate, and record depreciation expense against the finance number of the holding organization. See Handbook F-26, *Personal Property Accounting*, for a more complete description of PEAS.

522.2 **Access**

Requirements for online access to PEAS include a computer with Postal Service Intranet access and submission of electronic Form 1357, *Request for Computer Access*, in eAccess. Contact your DMMS or your MSC material management specialist for additional information about access to PEAS.

53 Responsibilities

531 **Installation Heads**

Installation heads are responsible and accountable for all material in their organization. They may delegate a material accountability officer (MAO) in writing who will act as their representative for accountability (see [541.21](#)).

532 **Material Accountability Officers**

Material accountability officers (MAOs) are responsible for overseeing compliance with all material accountability policies and procedures within

their unit. MAO responsibilities include, but are not limited to, the tracking and documentation of personal property from the point of notification that an item is pending receipt to its final disposition or transfer to another organization. Documentation will be maintained through the regular review and recordkeeping of the receipts, transfers, loans, and disposal of assets.

The documentation of capital property records is critical and will be performed on a regular basis. MAOs are responsible for conducting, managing, and certifying the completion of the Semi-Annual Capital Property Reviews that are mandatory every 6 months. MAOs must work closely with management to ensure the capital property records are accurate and that all receipts, transfers, and disposals are processed timely.

MAO responsibilities include:

- a. Providing training to all individuals (functional managers, material accountability assistants, etc.) that maintain subcustody records.
- b. Maintaining subcustody records.
- c. Ensuring that all capital property verification, physical inventory, and reconciliation procedures are followed.
- d. Reviewing the Property Changes for the Month (PCFM) report for the finance number on a monthly basis. This report is available from the Accounting Data Mart (ADM).
- e. Ensuring that all changes (additions and deletions) in the Property Changes for the Month (PCFM) report of capital property are documented. If there is a discrepancy, document the discrepancy and forward a copy of the PCFM to San Mateo Accounting Services. A copy of each PCFM report is to be maintained locally.
- f. Verifying and completing the Semi-Annual Capital Property Reviews as directed, and maintaining copies of all related documentation.
- g. Managing the capital physical inventory process.
- h. Maintaining loan records on all capital, sensitive, and expendable assets loaned to private mailers, employees, and other internal and external organizations.
- i. Monitoring and maintaining capital and expendable and sensitive material accountability records and files.
- j. Ensuring the proper disposal of surplus, obsolete, and not repairable assets in accordance with policy and the best interests of the USPS.
- k. Participating as a member of the destruction committee.
- l. Ensuring the proper identification, reporting, and storage of excess serviceable assets.
- m. Ensuring excess assets are promptly and accurately reported, and coordinating the transfer and shipment of excess serviceable assets.
- n. Entering excess assets into the USPS Excess Items Catalog (EIC), and maintaining the integrity of the EIC through prompt and accurate updates.
- o. Supporting the fulfillment of asset requirements from excess stock first.

533 Functional Managers

Functional managers are responsible for all property used in their part of the organization. They sign the subcustody records for their area of responsibility and are accountable through those records for all their capital and sensitive property. They will conduct at least an annual verification of subcustody records. Any time a new functional manager is assigned, he or she ensures that subcustody records are accurate and signs a new subcustody listing accepting accountability of the property in his or her part of the organization. Functional managers may assign a material accountability assistant to work with the MAO on a day-to-day basis to maintain the accuracy of their property records and files. They will provide personnel as required to assist in conducting the capital physical inventory.

534 Supervisory Personnel

Supervisory personnel ensure proper use, maintenance, and security of all capital, expendable, and sensitive property used by employees they supervise. They must notify the MAO/material accountability assistant (MAA) of any transfers, additions, relocations, loans, excess, loss, damage, or theft of any property.

535 Material Accountability Assistants

MAAs are accountable for the custody and safeguarding of property assigned to their functional area. This includes overseeing the capital and sensitive subcustody records for their area, assisting in the receiving process, assisting the MAO as necessary, and reporting to their functional manager and the MAO any loss, damage, or theft of any property.

536 Manager, Administrative Services/Finance

Managers of Administrative Services/Finance oversee inventory control for all capital, expendable, and sensitive personal property within their district area.

537 District Material Management Specialists

District material management specialists (DMMSs) are responsible for overseeing capital, expendable and sensitive property procedures in all Customer Service and Sales (CSS) and Processing and Distribution (P&D) activities in their areas. This responsibility includes monitoring activities, training, and supporting MAOs. The DMMS should not, however, act as MAO.

538 Material Service Centers

Material service centers (MSCs) are responsible for supporting property procedures in their area. These responsibilities include monitoring activities, training, and supporting the manager of administrative services/finance, DMMSs, and MAOs.

54 Accountability and Control Requirements

541 Assignment of the MAO

541.1 Considerations

Installation heads are responsible and accountable for all material in their organization. However, in larger activities it is recommended that the installation head delegate an employee as MAO. The installation head should understand the magnitude of the job and assign it to someone who has the capability and time available to properly perform all of the duties listed in [532](#), Material Accountability Officers. In larger organizations, MAO responsibilities may require a full-time resource. In any activity it must be a primary function to be performed daily as the requirements arise.

541.2 Procedures

541.21 Delegation

Accountability is delegated by the installation head to the selected employee by letter. [Exhibit 541.21](#) is a sample letter of delegation.

541.22 Assigning a Backup MAO

Installation heads should assign (in writing) a backup to the MAO if the MAO is reassigned or absent for more than 30 days. The backup MAO performs the duties of the MAO until the permanent MAO returns or a new MAO is permanently assigned.

541.23 MAO Training

The MAO learns material accountability by reviewing this handbook and Handbook F-26, *Personal Property Accounting*. Structured training is available through the Web-based MAO training available from the Supply Management home page of the USPS Intranet. Additional training and clarification can be requested from the appropriate DMMS and the MSC.

541.24 First Tasks of MAO

The newly assigned MAO will conduct a physical inventory of randomly selected records and files to determine their accuracy and report in writing the results of the physical inventory and any recommendations for improvements to the installation head.

541.25 Subcustody Records

Subcustody records are an effective management tool for internal tracking and accounting of capital and sensitive property under the custody of the MAA. Subcustody records will be established for all capital and sensitive property. The MAO will maintain signed subcustody records, with copies provided to the functional managers. Subcustody records will be updated at least quarterly if changes have taken place and whenever a new functional manager is assigned custody of property.

541.26 Verification and Physical Inventory

Every five years, a capital property statistical analysis of items \$10,000 and above must be conducted according to a schedule published by Finance. While this statistical analysis assists in verification of the field records and property with the PEAS records at the San Mateo ASC, MAOs are responsible to conduct their own annual property inventories for both capital and sensitive items assigned to their finance number.

541.27 Sensitive and Capital Property

For accountability of sensitive and capital property, PS Form 1590, *Supplies and Equipment Receipt*, or an automated equivalent, must be used when the items are issued or loaned.

541.28 Internal Reviews

The MAO evaluates the status of property records and files by conducting an internal review (semiannually) using the following guidelines:

- a. Review the local standard operating procedures.
- b. Randomly select and inventory 10 percent of the capital items and 10 percent of sensitive items.
- c. Review files and records to verify that those required by this handbook are being maintained.
- d. Review the past six PCFMs to ensure that they have been properly verified.
- e. If MAAs have been delegated, meet with them and discuss the material accountability background of the installation.

541.29 Reports

The MAO should develop a report to the installation head indicating the results of his or her review. [Exhibit 541.29](#) shows a sample report.

541.3 Designation of Material Accountability Assistants**541.31 Considerations**

Functional managers may assign MAAs to coordinate with and assist the MAO and to represent them in the day-to-day dealings with capital, expendable, and sensitive property. The MAA should be an employee who has knowledge of the equipment used in the functional area.

541.32 Procedures

The functional manager reviews the alternatives and personnel available to be assigned as MAA and seeks assistance from the MAO in understanding the complexities of the MAA's responsibilities. The functional manager designates by letter the selected employee as the MAA. [Exhibit 541.32](#) is a sample letter.

541.33 MAA Training

The MAA must review this handbook and Handbook F-26 to learn material accountability. Web-based MAO training should be completed on the Supply Management homepage on the Postal Service Intranet. The responsible MAO will arrange or provide for necessary additional training.

541.34 **Internal Reviews**

The MAA evaluates the status of property records and files by conducting an internal review. The guidelines provided for the MAO in [541.28](#) apply.

55 Filing System

551 **General**

The MAO is responsible for maintaining or overseeing the maintenance of a filing system that contributes to sound accountability and control. A sound filing system improves both capital and expendable material accountability. An effective filing system must be well documented.

552 **Suspense File (Capital and Expendable)**552.1 **Contents**

The Suspense File and the Loan File are the only two files where capital and expendable records may be retained together. The suspense file is used to maintain purchasing and receiving documents for capital and expendable items ordered or requested but not received. This file is used to determine how much equipment is expected, when expected, and if any of the open orders have been partially filled. The most common documents in this file include, but are not limited to:

- a. Purchase/delivery order documents.
- b. The printed screen documentation of electronic transfers/reassignments (PEAS-generated) (see [Exhibit 552.1b](#)).
- c. PS Form 969, *Material Recycling and Disposal* (see [Exhibit 552.1c](#)) (if awaiting signatures, sale, etc.).

Note: A separate suspense file for these forms may be established.

- d. PS Form 7381, *Requisition for Supplies, Services, or Equipment* or eBuy requisitions (see [Exhibit 552.1d](#) and [Exhibit 552.1e](#)).

552.2 **Disposition of Contents**

Upon receipt of the property, remove related documents from the suspense file and file them as follows:

- a. *Expendable* — Complete and distribute copies, as appropriate. File a copy in the Expendable Property Transaction File (Completed File).
- b. *Capital* — Complete and distribute copies, as appropriate. Transfer the suspense documents to the Pending Verification File (Capital File).

553 **Expendable Property Transaction File (Completed File)**

This is a chronological file used to retain documentation relating to expendable equipment receipts, transfers, or disposals. Documentation should be kept in this file for at least 1 year but no more than 2 years.

554 **Pending Verification File (Capital File)**

This file is used to retain documentation pertaining to items that have been received, transferred, or deleted, but are awaiting processing at the San Mateo ASC. When the PCFM reflecting this transaction is obtained from the ADM, remove the appropriate document or documents, attach to the PCFM, and file in the Verified Capital Property File.

555 **Verified Capital Property File**

This file is used to retain documentation pertaining to capital property received. Files should be organized by fiscal year (FY). Separate monthly folders may be maintained, if volume warrants. Capital records are retained for 4 years. The capital physical inventory worksheets and supporting documentation may be placed in this file. The file contains the following:

- a. Verified monthly change lists with supporting documentation.
- b. Capital property listing (CPL).

556 **Loan File**

The Loan File, containing PS Form 1590, *Supplies and Equipment Receipt*, is the record of equipment loaned to employees, other facilities, or private mailers. This file should be reviewed at least quarterly. The installation head or the original approving authority will review items lent to non-postal organizations, such as private mailers, etc. Loaned maintenance test equipment and tools will be maintained in accordance with Handbook MS-63, *Maintenance Operations Support*. Approval to continue the loan will be supported by a memo to the Loan File. Sensitive property lists may also be filed in this file for audit purposes.

557 **Form 961-A, Post Office Property Record, File**

This file holds, in ID number sequence by sublocation, PS Form 961-A, *Post Office Property Record*, for each capital property item acquired prior to April 1, 2004. Any PS Forms 961-A issued for capitalized equipment modification costs should be attached to and filed with the PS Form 961-A for the equipment item modified.

56 Transactions

561 **Receipt Processing**

561.1 **General**

Receiving is the critical beginning of the accountability and control process. Effective accountability and control of property starts with solid receiving procedures. This section covers the receiving processes unique to capital and sensitive property. The requirements for centralized receiving points, designated receiving personnel, receiving logs, and standard receiving processes are described in Chapter [2](#), Freight Transportation

Management — Shipping and Receiving. The MAO and MAA must be knowledgeable of the procedures in chapter [2](#).

561.2 **Delivery Documentation**

The MAO must ensure that a Suspense File is established containing documentation necessary to identify material to be received through acquisition or transfer. The MAO reviews these documents weekly and makes arrangements or plans to receive the property. A central receiving point for property must be established. This central receiving point can be in conjunction with other receipt processing.

561.3 **Receiving**

Designated receiving personnel and the MAO will be responsible for receipt of any property. In cases where technical knowledge is required to verify the property, the consignee will be called to verify the property and countersign receiving documents. Designated receiving personnel will inspect the property, sign and date the receiving or freight documents, and forward all receiving information to the MAO. Each item of capital must be tagged with a capital property ID number label, unless there are other accountability instructions for a particular item.

562 **Transfers**

562.1 **Authorization**

No capital, sensitive, or expendable property will be moved from one control unit to another within the same finance number (internal reassignment) or from one finance number to a different finance number (external reassignment) without the concurrence and prior approval of the appropriate unit manager or installation head and notification to the MAO.

562.2 **Internal Transfers**

Written requests for internal relocations (containing the capital property ID number, name, title, and the requester's location) are submitted to the MAO, who then updates subcustody records to authorize and record the relocation.

562.3 **External Transfers**

Written requests for external relocation or transfer (containing the capital property ID number and the name and title of the requester) are submitted to the installation head/MAO for forwarding to the DMMS. The DMMS will electronically transfer accountability through the Property and Equipment Accounting System (PEAS) from the shipper finance number to the consignee finance number (see [Exhibit 552.1b](#) and refer to *PEAS Field User Guide*).

Note: The shipping office will maintain the printed screen documentation of electronic transfers/reassignments (PEAS-generated) along with PS Forms 961-A (if available) in the Pending Verification (capital) File (see [554](#)). The MAO updates subcustody records based on the documentation provided.

563 **Equipment Loans**

Capital or expendable equipment loaned to a private mailer or a Postal Service activity with a different finance number requires PS Form 1590 (see [Exhibit 541.27](#)) documentation and a quarterly review by MAO to ensure that the items are being used for the purpose agreed to and returned on time.

If capital property with undepreciated value is loaned to another Postal Service activity with a different finance number for four or more months, it should be transferred, not loaned. This will allow the depreciation to be charged to the using activity. Upon receipt and approval of the loan request, the MAO will prepare a PS Form 1590 in triplicate. When the equipment is delivered, the borrower will:

- a. Sign all copies of PS Form 1590.
- b. Keep one copy for their file.
- c. Return one copy to the manager responsible for the equipment.
- d. Return the original to the loaning MAO.

Loans to private mailers will be extended only with the approval of the installation head/manager responsible for the equipment.

564 **Inactive Equipment**

Inactive equipment is equipment that is not being used because it is:

- a. Not needed (excess).
- b. Not yet needed or installed (restricted use).
- c. Surplus.
- d. Obsolete.
- e. Unserviceable.

The MAO is responsible for identifying and determining serviceability before it is reported through the Excess Item Catalog (EIC) in eBuy. Assistance in determining serviceability may be obtained through the appropriate maintenance or functional manager.

Each item of inactive equipment is identified with a tag denoting it as:

- a. Excess.
- b. Restricted-use.
- c. In need of repair.
- d. Salvage.
- e. Junk.

PS Form 7364, *Serviceable Property Tag* (see [Exhibit 564](#)) is used to identify excess serviceable items; PS Form 4707, *Out of Order* (see [Exhibit 624.221b](#)) is used to identify items needing repair; PS Form 965, *Salvage or Junk Tag* (see [Exhibit 624.221c](#)) is used to identify items as salvage or junk.

The DMMS approves the addition of items to the EIC and coordinates the external reassignment of inactive equipment. Unserviceable items should not be reported in the EIC (see [624.1](#)).

565 Disposal

565.1 Normal Process

Disposal of Postal Service capital property follows the normal disposal process described in Chapter [6](#), Asset Recovery: Redistribution, Recycling, and Disposal. The key difference in the process for capital property is forwarding PS Form 969, *Material Recycling and Disposal*, to the San Mateo ASC. Additionally, a copy of the PS Form 969 is sent by the MAO to the finance or accounting office, showing the undepreciated balance. Any undepreciated value on a disposed item is immediately charged to the installation's expense budget as soon as the San Mateo ASC processes the PS Form 969 unless the item is donated to a non-profit agency.

565.2 Disposals Requiring Special Approval

Refer to chapter [6](#).

566 Depreciation

566.1 General

Depreciation is the periodic expensing of capital equipment costs over an estimated useful service life, and allocating and matching historic asset costs to periodic revenues.

566.2 Service Life

Service life is the estimated average number of useful years assigned to an asset. Service life is expressed in years, but is converted to months for the purpose of calculating depreciation expense. Personal property items have a variety of service lives.

566.3 Expense Calculation

Depreciation expense is calculated by dividing the total cost of the equipment by the number of months in the service life. The Postal Service uses the straight line method of depreciation to allocate the cost of an item in equal increments over the service life. For detailed procedures, refer to Handbook F-26, *Personal Property Accounting*.

566.4 Changes

Depreciation is based on the total cost of the equipment at acquisition and for any subsequent modification or upgrade to the equipment. When modifications or upgrades occur, San Mateo ASC will process a PCFM showing the modification or upgrade cost.

566.5 Tracking and Managing Depreciation

It is essential that depreciation be tracked and managed, as it can have an important impact on financial planning. The finance office should know the planned depreciation expenses for each budget year. The figures for the undepreciated values of current equipment are available through reports from the ADM.

Depreciation for new, planned acquisitions should be available through the Capital Budget process. Unanticipated changes such as unplanned disposals or inventory losses will affect the budget. Undepreciated values for both disposals and inventory losses are immediately charged to the expense operating budget. This can involve hundreds of thousands of dollars. The only exception is for items donated to non-profit organizations.

566.6 **MAO Involvement**

The MAO must be involved in all capital equipment transactions so that the impact on depreciation can be calculated and this information provided to finance. All transfers of capital equipment must be correctly documented so that the receiving finance number not only receives the equipment, but also picks up any remaining undepreciated value.

57 San Mateo ASC Documents

571 **General**

San Mateo ASC provides three tools on a routine basis to assist in the verification of the PEAS records with the field records. PEAS is the Postal Service master file that maintains accountability of capital personal property to a finance number.

The verification tools from the San Mateo ASC are:

- a. Monthly change list (PCFM).
- b. Capital property listing (CPL).
- c. ID label.

Through use of these tools, the organization maintains accuracy between San Mateo ASC and local records while avoiding the cost in time and money necessary to correct errors during the physical inventory.

572 **PCFM/CPL Updates to PEAS**

The generic description shown on the PCFM/CPL is based on the property code number (PCN), which covers a broad category. By adding or updating the location field to each item of capital property assigned to a finance number, individual items can be more easily tracked. The location field provides space for alphanumeric characters (e.g., room number, building number, etc.). The location field appears on the PCFM, inventory worksheets, and the CPL.

573 **Capitalized Modifications**

Expenditures for modifications are capitalized when:

- a. The cost is at least 50 percent of the capitalization criteria (50% x \$10,000 = \$5,000).
- b. The productive capacity or operating efficiency of the equipment is materially increased.

- c. The life of the equipment is significantly extended.
- d. The modification adapts the equipment to a different use.

574 ID Labels

574.1 General

ID labels are affixed to items of postal property as official identification of the property. The mylar ID label contains a unique six- or seven-digit number in series assigned to each item of capital property. The ID label must remain with the property throughout its life. If the ID label is destroyed, a replacement should be generated locally using the originally assigned ID number.

574.2 Issuance for New Capital Property

San Mateo ASC assigns an ID number to an item when it first enters the PEAS. This number is put on the ID label. The ID label is forwarded to the facility along with the PCFM. If the item is shipped to another facility, the ID number and label stay with the equipment.

574.3 Issuance for Other-Than-New Capital Property

If replacement of the label is necessary due to damage, misuse, or loss, a replacement should be generated locally using the originally assigned ID number.

574.4 Additions from Reclassifications and Physical Inventories

When the documentation is processed by San Mateo ASC, an ID number will be assigned and an ID label will be forwarded with the PCFM.

575 PCFM Procedures

575.1 General

For each month in which San Mateo ASC posts any changes to an installation's records, a PCFM showing the deletions, additions, and adjustments made to the capital property records in PEAS will be available in the ADM (see [Exhibit 575.1a](#)). PCFMs will only be mailed by San Mateo for periods in which new acquisitions were added to an installation's records. MAOs must request the property changes for month (PCFM) reports from the ADM for all months with activity other than new acquisitions.

New ID labels are forwarded with the PCFM report as appropriate. The MAO ensures that this list is checked against the Pending Verification File and takes corrective action to resolve differences.

The PCFM must be verified and annotated. Return of a verified copy to the ASC is not required; however, discrepancies that have not been resolved should be noted on a copy of the report and returned to the San Mateo ASC. The MAO may use one copy as a working document. When necessary to forward a copy to the ASC, include name, phone number, and best time to reach the MAO.

575.2 **Verification of Entries**

1. Compare the PCFM transactions with the documents in the Pending Verification File.
2. It is the responsibility of the activity charged with accountability to determine and resolve all errors. The logic chart for verification of PCFM (see [Exhibit 575.2](#)) provides guidance for research. It is not designed to cover all situations but can get you started in the right direction.
3. Annotate on the PCFM what information was found during the research and/or what action is being taken to correct the transaction; forward supporting documentation for changes or corrections with the PCFM to the San Mateo ASC.
4. If all entries on the PCFM are correct, attach the supporting documents from the Pending Verification File and place in the Verified File.
5. If entries on the PCFM need corrective action, place in the Pending Verification File until all actions are complete.
6. Review the Pending Verification File periodically for previously requested changes that have not been listed on a PCFM. Forward a copy of these documents again to San Mateo ASC indicating it is a second request. Annotate on the file copy the date the second request was forwarded.

576 **CPL Procedures**

576.1 **General**

Once a year, the CPL must be printed from the ADM. It provides generic and extended equipment descriptions.

576.2 **Verification Procedures**

Verify the CPL with subcustody records and resolve any discrepancies. All information on the CPL should be identical to the local records. Research and resolve so that both the PEAS data and the local property records are the same.

Because an incorrect record at any activity most likely means a corresponding incorrect record at another activity, the proper way to correct errors is to process the correct document, rather than adding or deleting the record using a PS Form 2880, *Physical Inventory Certification/Adjustments*. PS Form 2880 should be a tool of last resort.

Like any disposal action, undepreciated value on an item deleted by a PS Form 2880 is immediately charged to the activity's expense operating budget. This information must be provided to the finance or accounting office. The installation head must sign PS Form 2880 prior to processing and submission to the San Mateo ASC. (see [Exhibit 576.2](#).)

Note: The August 1994 version of PS Form 2880 is the only version accepted for processing by the San Mateo ASC.

58 Subcustody Records

581 Establishment

The MAO, with the assistance of the functional manager or MAA, ensures that subcustody records are established and properly maintained on all capital and sensitive property.

582 Update and Verification

If property changes occur during a postal quarter or whenever the functional manager changes, the following steps are to be followed:

1. The MAO updates the appropriate file (EIC or other system) with all receipts, transfers, disposal, changes, etc., within 3 days of the transaction.
2. The MAO provides an up-to-date copy (as of the end of the fiscal quarter) of the subcustody record and a copy of documents supporting any changes to the functional manager/MAA within 5 days of the end of the fiscal quarter.
3. The MAA reviews the report and accompanying documentation for correctness and has the functional manager sign the certification at the bottom of the report. The MAA sends the updated certified subcustody report to the MAO.
4. The MAO and the MAA work together to resolve any discrepancies.

59 Capital Property Physical Inventory

591 Frequency

A physical inventory of selected capital property is conducted every 5 years. Finance will determine the scope of the physical inventory.

592 Procedures

1. Three months prior to the scheduled physical inventory, the MAO will prepare and obtain installation head approval of an inventory plan that will identify resources required, develop a schedule to execute the inventory, and identify documentation required.
2. Two months prior to the scheduled physical inventory, each functional manager will provide by name the individuals that will assist in the inventory.
3. Prior to the inventory, the MAO will conduct training for team members. The training will emphasize the importance of the inventory (number of items, location, dollar value, depreciation, etc.) to the installation.
4. The team will conduct the inventory. The team will physically locate each item and research any items that cannot be physically located to determine what happened to them. The supervisor of the section in

which there is a missing item must be notified to provide assistance in completing the research.

5. The MAO will reconcile inventory changes, adjustments, etc. The operative word is reconciliation. It means determining what happened and processing the correct documentation instead of making an inventory adjustment. For example, if it is discovered that maintenance has relocated an item to another plant and its location is verified, the MAO must submit a request for completion of an electronic transfer/reassignment (PEAS-generated) from the DMMS. PS Form 2880, as noted in [576.2](#), is the last resort.
6. As items are located and problems and questions are resolved, the physical inventory worksheets will be updated. At the end of the inventory, the worksheets will be the baseline to match with the next CPL.
7. Review and approval upon completion of the physical inventory process, including research, a PS Form 2880 (see [Exhibit 576.2](#)) will be completed. Physical inventory results, as noted on the PS Form 2880, will be reviewed by the appropriate functional manager or MAA who signed the subcustody record, and the installation head. A copy is provided to the finance office. PS Form 2880 without changes will be forwarded directly to the San Mateo ASC. Completed PS Forms 2880 with changes and any supporting documents are forwarded to the DMMS for review and other necessary documentation.
8. Additions and deletions are made via PS Form 2880. If additions or deletions for a finance number total \$100,000 or more, forward PS Form 2880 with appropriate documentation for review to:
 NATIONAL ACCOUNTING FINANCE MANAGER
 475 L'ENFANT PLAZA SW RM 8831
 WASHINGTON DC 20260-5245

 After review and approval, send the signed copy to the San Mateo ASC. For additions or deletions of less than \$100,000, the installation head must approve, sign, and send PS Form 2880 directly to the San Mateo ASC. Enter supporting comments for actions in the Remarks section.
9. The MAO submits a cause and corrective action report to the installation head. The report will contain specific causes, corrective actions, and schedules to correct the problems recognized during the physical inventory.

Exhibit 541.21

Sample Letter of Designation for Material Accountability Officer

June 15, 2004

Mr. John Brown
Contract Technician

Dear Mr. Brown:

The Postal Service requires the installation head to be responsible and accountable for material/property within the organization. It permits the installation head to delegate this accountability function to an employee referred to as the Material Accountability Officer (MAO). You are hereby designated as Material Accountability Officer for the Richmond post office. You will be responsible for the application of property management procedures that are further defined in Handbook AS-701, Material Management, and Handbook F-26, Personal Property Accounting.

It is important that you recognize that you are acting on my behalf. Regularly review the status of the records and files and report any inconsistencies to me in writing.

This is an important assignment. Please give it your proper attention.

Postmaster/Plant Manager

cc: Direct reports
Employee's Supervisor/Manager
Official Personnel File
District Material Management Specialist

Exhibit 541.27

PS Form 1590, Supplies and Equipment Receipt

U.S. Postal Service				Date	
Supplies and Equipment Receipt					
FROM: Post Office, State and ZIP+4			Section of Unit		
Requested By (Individual or Title)			Consignment Completed By		Work Order/Route Sheet Number
TO: 				Shipment Made By	
				Hand to Hand	
				Distribution 1. Original to stockroom file. 2. Duplicate to mechanic. 3. Triplicate to personnel folder.	
Approved: _____ Foreman, MPE Date				Custody Receipt This form may be used as an intra-office custody receipt.	
Quantity	Item Number	Property Code Number	Description	Recorded Cost	
Loan Period (Number of Days)	Date Loaned	Received in good condition? ☐ Yes ☐ No		If NO, explain on reverse.	
	Date Returned	Received By (Signature)		Final salary or expense checks will not be released until all property for which an employee is individually responsible has been returned or satisfactorily accounted for.	

PS Form 1590, May 1991

Exhibit 541.29

Sample Report from Material Accountability Officer

June 15, 2004

Ms. Joyce Smith
Installation Head/Postmaster or Designee
Richmond, VA 23232-9998

Dear Ms. Smith:

In response to your letter dated April 8, 2004, and a review of Handbook AS-701, *Material Management*, and Handbook F-26, *Personal Property Accounting*, I have performed the following tasks:

- Searched for, but could not locate local standard operating procedures.
- Performed a physical inventory of selected capital and sensitive items.
- Reviewed the existing files and records.
- Reviewed the past six Property Changes for the Month reports.
- Contacted San Mateo ASC for a general discussion concerning our records.

The findings of my review are listed below:

- The lack of locally established operating procedures is a major concern.
- We have 1202 items of capital property valued at 23 million dollars recorded on our asset account. Based on a 10 percent sample, I inventoried 120 items. I was unable to locate 11 items or 9 percent of those inventoried. If this is representative of the whole inventory of capital items, we would not be able to find 108 items with a value of \$2,070,000.00.
- We do not have subcustody records.
- Until my review, no action has been taken to verify accountability since the last capital physical inventory.

The following actions are recommended:

- Establish subcustody records using the Property and Equipment Accounting System (PEAS) and a locally established database.
- Functional managers should designate Material Accountability Assistants (MAA).
- Conduct annual verification as part of establishing subcustody records.
- Develop local standard operating procedures.

John Brown
Contract Technician/Material Accountability Officer

Exhibit 541.32

Sample Letter of Designation for MAA

April 8, 1997

Ms. Jane Harmond

Dear Ms. Harmond:

It is the practice of the Postal Service to provide Material Accountability Assistants to work directly with the Material Accountability Officer. You are hereby designated as Material Accountability Assistant for Marketing and Sales. You will be responsible for the custody and application of property management procedures, which are further defined in Handbook AS-701, *Material Management*, and in Handbook F-26, *Personal Property Accounting*.

It is important that you recognize that you are acting on my behalf. Regularly review the records and files as they relate to Marketing and Sales and report back to me in writing any inconsistencies.

This is an important assignment. Please give it your proper attention.

Manager, Marketing and Sales

cc: Official Personnel File
Material Accountability Officer

Exhibit 552.1b

Screen Prints of Transfers/Reassignments Information Generated in PEAS

View Financial Information - 1229308

Book	Cost	Recoverable Cost	Net Book Value
PERSONAL	152,963.00	152,963.00	99,618.07

Original Cost	152,963.00	Depreciation	
Salvage Value	0.00	Revaluation Ceiling	
☐ Investment Tax Credit		Revaluation Reserve	0.00
☒ Depreciate		Capacity	
Date in Service	01-SEP-2002	YTD Production	
Prorate Convention	MONTH	LTD Production	
Prorate Date	01-SEP-2002	Ltd End Date	
Method	STL	Basic Rate	
Life Years	5	Adjusted Rate	
Months	0	Bonus Rule	
Remaining Life Years	3	Months	3
YTD Depreciation	53,344.93	YTD Bonus Dep	0.00
Accumulated Dep	53,344.93	LTD Bonus Dep	0.00

Transactions Depreciation Cost History

Transaction Detail

Unit	Change	Units	Name	Number	Expense Account	Location
-1	1				01.050110.54330.0000.0000.0000	Z.Z.Z.Z.Z.Z
1	1				01.056745.54330.0000.0000.0000	CA,SAN BERNARDINO

SHIPPER/CONSIGNEE FORM 7340 COPY
 NOTE: TRANSFERRED ELECTRONICALLY ON 6/15/04
 BY VJ CLEMMER, MM SPECIALIST, MEMPHIS MSC.
 TRANSFER REQUESTED BY TOM DEVINE, WASH., DC
 202-268-5783

Exhibit 552.1c (p. 1)

PS Form 969, Material Recycling and Disposal

UNITED STATES
POSTAL SERVICE[®]

Material Recycling and Disposal

1. Requestor Name		Prepare a separate PS Form 969 for each category: <i>(Check appropriate box)</i> ☐ Capital ☐ Noncapital		Control No. <i>(Locally assigned)</i>						
4. Installation <i>(City, State, ZIP + 4®)</i>		2. Requestor Title		3. Date						
				5. Finance No.						
Disposal Codes and Methods. Enter one of the disposal codes shown at right (1 through 8) in block 10 below to indicate the method used to dispose of the material listed. Methods are listed in order of preference. Determine the necessary authorization and requirements for supervised destruction by consulting Handbook AS-701, <i>Material Management</i> .		Code and Method 1—Trade-in 2—Sale by the USPS installation 3—Cannibalization for parts 4—Sale for recycling 5—Transfer to a federal agency or branch of the military 6—Donation to a state agency, public body, etc. 7—Destruction and/or disposal 8—Adjustments <i>(Loss, theft, accidental damage, etc.)</i>								
6. Capital ID No.	7. PSN/NSN	8. Description <i>(Serial/model no., brand name, brief description of deficiencies)</i>	9. Supervised Destruction Requested	10. Disposal Code	11. Acquisition Year	12. Quantity	13. Unit Cost	14. Total Cost	15. Amount Received and A/C	16. Undepreciated Balance (Capital)
			☐							
			☐							
			☐							
			☐							
			☐							
			☐							
			☐							
			☐							
The district material management specialist or designee Material Service Center must approve of the disposal of capital or sensitive items BEFORE final disposal. Sensitive items are identified in HBK AS-701. Handbook AS-701 also identifies items requiring special approval by other offices.			17. Manager Finance, District Material Management Specialist, Designee Material Service Center, or Other Required Special Approval Signature							
Supervised Destruction Committee must witness the destruction of item(s) before final disposal if block 9 above is checked. At a minimum, the installation head/designee and the material accountability officer must comprise this committee.			18. Committee Member Signature and Title							
			Date							
			19. Committee Member Signature and Title							
			Date							
			20. Material Accountability Officer Signature							
			Date							
Certification/Acknowledgment that material was disposed of by method indicated. <i>(Completed for material — capital, sensitive, and expense.)</i>			21. Installation Head/Designee Signature							
			Date							

PS Form 969, September 2004 (Page 1 of 2) (PSN 7530-02-000-7258)
See the reverse side for instructions on completing and distributing this form.

Exhibit 552.1c (p. 2)

PS Form 969, Material Recycling and Disposal

Completion and Distribution Instructions for PS Form 969 (A separate PS Form 969 must be completed for all material: capital, sensitive, and expense.)																																																									
Capital Material Instructions	Noncapital Material Instructions																																																								
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7	Enter the national stock number (NSN) or Postal Service item number (PSIN).																																																								
8	Use the description on the inventory listing.																																																								
9	Determine the requirement for supervised destruction by consulting Handbook AS-701, <i>Material Management</i> . If required, check this box.																																																								
10	Indicate the applicable 1-digit disposal code as defined near the top of the form.																																																								
11	Enter the year of acquisition as listed on the inventory listing. If unknown, approximate.																																																								
12	Enter the number of items.																																																								
13	Enter the acquisition cost of each item.																																																								
14	Enter the extended cost for multiple items.																																																								
15	Record the dollar amount received if the item was sold or credit given if traded in. NOTE: PRIOR authorization for sale must be obtained from the Manager, Finance, or approved designee per HBK AS-701.																																																								
16	Include the 3-digit AIC number (See HBK AS-701).																																																								
17-21	Enter the remaining depreciation (if known) or contact the district material management specialist. Signatures as indicated.																																																								
Blocks	Instruction																																																								
1-5	Self explanatory.																																																								
6	Leave blank.																																																								
7	Enter the national stock number.																																																								
8	Enter the description including serial/model numbers, brand name, etc.																																																								
9	Determine the requirement for supervised destruction by consulting Handbook AS-701. If required, check this box.																																																								
10	Indicate the applicable 1-digit disposal code as defined near the top of the form.																																																								
11	Enter the year of acquisition if known. If unknown, approximate.																																																								
12	Enter the number of items.																																																								
13	Enter the acquisition cost of each item.																																																								
14	Enter the extended cost for multiple items.																																																								
15	Record the dollar amount received if the item was sold or credit given if traded in. NOTE: PRIOR authorization for sale must be obtained from the Manager, Finance, or approved designee per HBK AS-701.																																																								
16	Leave blank.																																																								
17-21	Signatures as indicated.																																																								
Distribution Instructions 1. Requestor retains part 5, Originating Office Suspense, and forwards the remainder of the copies to the Manager, Finance, or other approving official, per Handbook AS-701. 2. Manager, Finance, or appropriate approving official will review and approve or disapprove any or all items on the form. At the approving official's discretion, concurrence of the appropriate budget coordinator will be sought. If disposal is approved, the appropriate approving official will retain part 4, Suspense File, and return the remaining copies to the originating office. 3. The material accountability officer at the requesting installation will: a. Take appropriate disposal action and obtain all required signatures. b. Discard part 5, Originating Office Suspense. c. Forward part 3, Notice of Completed Action, to the appropriate approving official. d. File part 2, Originating Office Final.	Distribution Instructions 1. Requestor retains part 5, Originating Office Suspense, and forwards the remainder of the copies to the manager, Finance, or other approving official, per Handbook AS-701. 2. Manager, Finance, or appropriate approving official will review and approve or disapprove any or all items on the form. At the approving official's discretion, concurrence of the appropriate budget coordinator will be sought. If disposal is approved, the approving official will retain part 4, Suspense File, and return the remaining copies to the originating office. 3. The material accountability officer at the requesting installation will: a. Take appropriate disposal action and obtain all required signatures. b. Discard part 1, To ASC, and part 5, Originating Office Suspense. c. Forward part 3, Notice of Completed Action, to the appropriate approving official. d. File part 2, Originating Office Final.																																																								

PS Form 969, September 2004 (Page 2 of 2) (PSN 7530-02-000-7258)

Exhibit 552.1d (p. 1)

PS Form 7381, Requisition for Supplies, Services, or Equipment

1. Date		2. Request No.		3. Budget Finance No.		4. Account No.		5. Property Accountability Finance No.		6. Property Code No.		7. Capital Property ID No.			
8. Job Order Number (Maintenance Use Only)				WC		Acronym		Equipment No.		EC		Work Order No.			
REQUESTOR INFORMATION						DELIVERY INFORMATION									
9a. Name				Title				10a. Contact				Telephone No. ()			
9b. Signature				9c. Organization				10b. Address							
9d. Address						City				State		ZIP + 4			
City				State		ZIP + 4		10c. Desired Delivery Date				10d. Required Delivery Date			
9e. Telephone No. ()				9f. FEDSTRIP Address Code				10e. FEDSTRIP Address Code				10f. Acceptable Delivery Times From: To:			
SUPPLIES, SERVICES, OR EQUIPMENT INFORMATION															
11a. Item/Part No.		11b. Supplies, Services, or Equipment Requested (Attach SOW, specifications, or other technical data, if applicable)						11c. Unit of Issue		11d. Quantity		Estimated 11e. Unit Price		11f. Total Cost	
12. Rationale										11g. Total Estimated Cost				\$	
SUGGESTED SOURCES OF SUPPLY (Provide name, street address, city, state, ZIP + 4, contact name, and telephone and fax no.)															
13a.				13b.				13c.							
APPROVALS (The contracting official is authorized to make the purchase provided it does not exceed the amount entered below.)															
14a. Certification of Funds (Signature, name, and title) Funded Amount: \$												Date			
14b. Approval Authority (Signature)						(Name and title)						Date			
14c. Other Approval (Signature)						(Name and title)						Date			
15. After Approval/Funding, Send to:								16. Local Notes							
PURCHASING USE ONLY															
17a. Excess Equipment Available? ☐ No ☐ Yes		17b. Buyer Initials		17c. Processing Code		17d. Assigned By/Date				17e. Control No.		17f. Date Due			

PS Form 7381, November 1994

Exhibit 552.1d (p. 2)

PS Form 7381, Requisition for Supplies, Services, or Equipment**Instructions****General Information**

1. Enter the date.
2. Enter the last two digits of the current fiscal year and the next local sequential number (91-1, 94-2, etc.)

Fiscal Information

3. Enter the budget finance number of the funding office.
4. Enter the applicable account number (5XXXX if expense; 8XXXX if capital).
5. Enter the property accountability finance number (this is the finance number of the office receiving the equipment).
6. Enter the property code number, if capital equipment (see Handbook F-43, Property Code Numbers).
7. Enter the capital property ID number if the item will be added to a piece of capital equipment and increase its value.
8. Enter the job work order number, as appropriate (maintenance use only).

Requestor Information

9. You (the requestor) must provide the following information:
 - a. Your name and title;
 - b. Your signature;
 - c. Your organization's name (example: Marketing).
 - d. The complete address of the facility or organization in which you work;
 - e. Your telephone number (including area code); and
 - f. The FEDSTRIP address code of the funding office.

Delivery Information

10. You must provide the following delivery information:
 - a. Who should be contacted in case questions concerning delivery arise (include the telephone number and area code);
 - b. The complete address of the facility or organization where the delivery is to take place (including, for example, "inside," "back door," etc.);
 - c. The desired delivery date. This is the optimal date when the good or service can be provided;
 - d. The required delivery date. This is the date by which the good or service must be delivered;
 - e. The FEDSTRIP address code of the facility or organization where the item will be delivered; and
 - f. The acceptable delivery times. These are the hours during which personnel will be available to accept the delivery.

Supplies, Services, or Equipment Information

11. If you are requesting more than one type of item, use a separate line for each type. If applicable, indicate catalog numbers. If you wish the item to be obtained from GSA, indicate so here. If applicable, provide a general description of the service or equipment required, and attach any statements of work, specifications, or other technical information needed to process the purchase.
 - a. If applicable, enter the item or part number.
 - b. If you have entered an item or part number in column a, provide only the name of the item. Otherwise, provide a short description of the required supplies, services, or equipment. Ensure that any necessary

statements of work, specifications, or other technical data are included with your request. Also ensure that specifications are included with any brand-name or equal description.

- c. If applicable, enter the type of unit in which the item is sold (units of issue are "each", "one box", "one set", "a carton", etc.).
- d. Enter the required quantity (by unit sold) of each item.
- e. Enter the unit price for the item. Prices may come from catalogs or previous purchases. If the price is unknown, provide an estimate.
- f. Enter the total estimated price for the item.
- g. Total all items in column f. This total cost also serves as the funding amount for this requisition.

Rationale

12. Provide a brief explanation of why the supplies, services, or equipment are needed.

Suggested Sources of Supply

13. Provide three (if possible) names, addresses, and telephone numbers of manufacturers, repair companies, or other businesses capable of meeting the requirement. If known, ensure that suggested sources include small, minority, and woman-owned businesses.

Approvals

14. Obtain the appropriate approvals.
 - a. The individual certifying that funds are available for this purchase signs here and also provides his or her title and the date.
 - b. The individual with authority to approve the purchase signs here and also provides his or her title and the date.
 - c. If further approval is necessary, the appropriate authority signs here and also provides his or her name, title and date. If any other approvals are required, obtain and attach them to this form.

After Approval/Funding Send to:

15. Enter the name and address of the purchasing organization which has the authority to purchase the supplies, services, or equipment required.

Local Notes

16. Use this space to enter any information or data you deem necessary.

Purchasing Use Only

17. These areas may be filled in only by purchasing personnel.
 - a. Indicate whether the item may be obtained through excess.
 - b. The buyer handling this requisition must enter his or her initials.
 - c. Enter the processing code for this particular purchase.
 - d. The contracting officer must enter his or her initials here and also provide the date.
 - e. Enter the COMPASS control number.
 - f. Enter the date the purchase is due to be finalized.

Exhibit 552.1e
eBuy Requisition

eBuy - Print Requisition						
Preferences Support Help Training Log Out Billing Summary Switch Project CIS Option 15						
Home Catalogs Requisitions Status Approvals Stats Reports Excess Items Post/Certify Admin						
Off Catalog Print Requisition						
Requisition Name: REQ - 4016015 Requisition #: R00004016015 Requisitioner: VINCENT J CLEMMER / CLEMMERJ (901-747-7563)				In Progress Created: 05/15/2004 14:01:01 MST Last modified: 05/15/2004 14:01:01 MST		
Requisition Header						
Bill To: 475631 MSC - MEMPHIS DISTRICT CODE 184 VP SUPPLY MANAG Budget Group:				Ship To: 184756(MAILING) MATERIAL SERVICE CENTER USPS 225 N HUMPHREYS BLVD MEMPHIS, TN 38166-6262 ATTN: VINCENT J CLEMMER		
Payment Information Payment Method: SM Buyer Vehicle: No Payment Type: Capital				Capital Information Property Code #: Capital Property ID: Property Accountability Finance #: 475631 MSC - MEMPHIS DISTRICT CODE 184 VP SUPPLY MANAG		
After Approval Contact Name: MAD, Telephone: 901-747-7563 Address: MATERIAL SERVICE CENTER 251 N HUMPHREYS BLVD ROOM 1089 MEMPHIS, TN 38166-6262				Delivery Instructions Required Delivery Date: 05/15/2004 NOTIFY CONSIGNEE 24 HOURS PRIOR TO DELIVERY		
Line Item Detail						
Qty	UOM	Description	Bill To/ Ship To	Unit Price/ GL Acct #	Extended Price	
					Estimated tax (\$):	
					Estimated shipping / handling cost (\$):	
					Total goods and services (\$): 0.00	
Requisition Notes						
No Notes Found!						
Requisition History						
No History Found!						
Current Approval Process: MEMPHIS MSC						
AREA: EL/VP SUPPLY MANAG DIST: 184-DISTRICT CODE 184 UNIT: 6L1840012904-MEMPHIS MSC						
Status	Approver/Delegatee	Phone	Approver Type/Value	Approved By/Date		
WAITING	LESLIE LISSIMORE	202-268-4047	Limit (\$25000)	NONE		
WAITING	CYNTHIA L KINCAID	202-268-5173	Mandatory	NONE		
WAITING	FINAL SYSTEM CHECK		Final System Check	NONE		
Supplier Information						

Exhibit 564

PS Form 7364, Serviceable Property Tag (Excess)

SERVICEABLE PROPERTY TAG (EXCESS)			
Postal Activity (Name, Address, ZIP Code) POSTMASTER US POSTAL SERVICE 826 BAY AVENUE CAPITOLA, CA 95010-9998		PS Item No./NSN 1924A	
		ID No. (Capital) 123456	
		Property Code No. 4230.40	
		Acquisition Cost \$14,000.00	
FEDSTRIP Address Code 189YOU		Finance No. 05-0000	
Condition Code (Circle Appropriate Designation)		New-1	Used-2
		Wood	Steel
Item Description (Include Serial and/or Model Numbers) Truck, Forklift, Sit down		Year of Acquisition 1994	
		Date Reported Excess 11/03/94	
		Number of Items 1	
		Control Officer E. Rader	
		Tag Number C-136007	

PS Form 7364, APRIL 1989

1. REPORTING ACTIVITY

Exhibit 571

PS Form 961-A, Post Office Property Record

B/A	State	Finance No.	VMF	CAG	PCN	Cost	Yr of Acq	System ID No.	Unit ID No.			
Act						Contract Number						
Reference Or Contract No.						From		A/P	FY	Cap A/P	Cap FY	Years Ser Life
Current Processing Information						Original Purchase Information						
						Sublocation:						
TRANSFERS: Attach Form 7340 (pink copy);						DISPOSALS: Attach Form 969 (original approved copy);						
MISCELLANEOUS ADJUSTMENTS: Attach memo of explanation.						Send to St. Louis PDC.						

PS Form 961-A, September 1984

POST OFFICE PROPERTY RECORD**Front**

Date	Repairs

PS Form 961-A (Reverse)

Back

Exhibit 571.1a

Property Changes for Month (PFCM) Report

UNITED STATES POSTAL SERVICE		Property Changes for Month									
		Finance Number	Transaction	PCN Number & Desc	Asst Number	Month Capitalized	Activity Type	Current Reference Number	Original Contract Number	Acquisition Cost	Undepreciated Value
		116918 CENTRAL FLORIDA CS DISTRICT	721047	390050 PRINTER	769433	Aug 1993	TRANSFER		479909391038		
		116918 CENTRAL FLORIDA CS DISTRICT	722895	395050 MICRO MEMORY STORAGE UNIT	1234825	Apr 2003	TRANSFER		10259068M1202		
		116918 CENTRAL FLORIDA CS DISTRICT	711399	395530 AOT/USER-SERVER, MONITOR, PRINTER	1054861	Feb 1998	FULL RETIREMENT		10259068M1202	\$0.00	
		116918 CENTRAL FLORIDA CS DISTRICT	711400	395530 AOT/USER-SERVER, MONITOR, PRINTER	1093169	Jan 1999	FULL RETIREMENT		10259068M1202	\$0.00	
		116918 CENTRAL FLORIDA CS DISTRICT	711401	395530 AOT/USER-SERVER, MONITOR, PRINTER	1086199	Feb 1999	FULL RETIREMENT		10259068M1202	\$0.00	
		116918 CENTRAL FLORIDA CS DISTRICT	711402	395530 AOT/USER-SERVER, MONITOR, PRINTER	1101142	Mar 1999	FULL RETIREMENT		10259068M1202	\$0.00	
		116918 CENTRAL FLORIDA CS DISTRICT	711403	395530 AOT/USER-SERVER, MONITOR, PRINTER	1232194	Jan 2003	FULL RETIREMENT		10259068M1202	\$0.00	
		116918 CENTRAL FLORIDA CS DISTRICT	711404	395530 AOT/USER-SERVER, MONITOR, PRINTER	1232195	Jan 2003	FULL RETIREMENT		10259068M1202	\$0.00	
		116918 CENTRAL FLORIDA CS DISTRICT	721781	700030 SHOWCASE/DISPLAY CASE	1135061	Nov 1998	TRANSFER		10259068M1202		

Exhibit 575.1a

Accounting Period Change List

USPS 28-9902 ST. LOUIS PDC REPORT: FAB090P2 166027		PROPERTY CHANGES FOR ACCOUNTING PERIOD 13, FY 1994 ENDING SEP 16, 1994										DATE
		THIS LISTING REPRESENTS CAPITAL PERSONAL PROPERTY INVENTORY TRANSACTIONS PROCESSED DURING THE A/P INDICATED. FOR VERIFICATION INSTRUCTIONS REFER TO THE AS-701, MATERIAL MANAGEMENT HANDBOOK.										PAGE
PALATINE P&C		IL 60095-9998	FINANCE NO: 16-6027		CAG: A B/A 1J							09/25/94
PROPERTY CODE NO.	LOC	ID NUMBER	MOD NO	ACQ YR	ACTIVITY CODE	ACTIVITY DESCRIPTION	CURRENT REFERENCE NO.	ORIGINAL CONTRACT NO.	CONTRA OFFICE	ACQUISITION COST	UNDEPRECIATED VALUE	
3950.00 MICROCOMPUTER SYSTEM		723840		1993	R	ADD ADJUSTMENT	FROM 67-7260	1025909303431		\$ 45,318	\$ 31,374	
9300.00 PARCEL SORTING MACHINE		731983		1994	A	ADD ADJUST COST	1042309282705			\$ 50,500	\$ 50,500	
4200.00 CONVEYOR		749941		1993	K	ADD FORM 7340 S/N 5068-13, 20'	455402	47999093M0266	178197	\$ 6,750	\$ 5,918	
4200.00 CONVEYOR		749942		1993	K	ADD FORM 7340 S/N 50688-15, 20'	455402	47999093M0266	178197	\$ 6,750	\$ 5,918	

Exhibit 575.2 (p. 1)

Logic Chart for Verification of Accounting Period Change Lists**Logic Chart for Verification of
Property Changes for the Month Report (PCFMs)**

Problems that frequently arise in the course of verifying PCFMs generated from the Accounting Data Mart (ADM) are listed on this page. The references at the end of each problem description pertain to the appropriate actions and potential solutions listed on the following page.

Problem

1. ASC listing references District/Material Service Center-initiated code "J" purchases for which you have no documents and/or have not received equipment. See A through E and P.
2. ASC listing references District/Material Service Center-initiated transfers for which there are problems. See A through E, H, and I.
3. ASC listing references a disposal document (PS Form 969) of which you have no copy and/or no prior knowledge of disposal. See B, C, and I.
4. ASC listing references activity code "D" MDC Issuance (PS Form 7339). You have a document but no knowledge of receipt of shipment. See A through D, H, J, and I.
5. ASC listing references activity code "D" issuance (PS Form 7339). You have no document, but the equipment has been received. See B, C, J, and I.
6. ASC lists a Headquarters activity code A transaction. You have no document and are uncertain as to whether property has been received. See A through E and I.
7. ASC list shows a charge for property that has been rerouted, is being temporarily stored at another facility, or is on order but not yet received at your facility. See A, B, D, and E.
8. ASC shows a charge for property which you have not received that involves a modified delivery order. See A through O and K.
9. ASC listing shows a charge for an item that you have not received, but of which you know the current status. See A through C and E.
10. You have received items on Forms 7334, 7339, 7379-B, or a Headquarters contract, but the items have not been charged on the ASC listing for the past two months. See E, F, and NI.
11. You determine that the PCNs, number of units, and allocations of cost (not total cost) are wrong. See B, M, and N.
12. You determine that total costs are wrong. See B, C, and E.
13. Your facility is charged with new equipment under activity code "M," and the charge needs an additional explanation, copy of the support document, etc. See B, C, and G.
14. You have pending PS Forms 969, 7340, or 2880 which have not been processed in two months. See E, I, and N.
15. You have pending discrepancies that have been previously reported to the ASC and/or the manager of administrative service, and you have received no response after two Months. See E.
16. ASC listing indicates a modification number for equipment repair. You do not know whether the modification has been performed. See A through D, G, O, and P.
17. You need to have descriptive information (brand name, serial number, model number, size, capacity, etc.) added to a property record. See O.
18. ASO listing shows an installation charge on an interim 900000 series number rather than the actual equipment identification number. See R.
19. You have exhausted all attempts to reconcile overages/shortages through routine procedures. See S.
20. You need to have the physical location (room number, pay location, ZIP Code, etc.) added to a property record. See T.

Exhibit 575.2 (p. 2)

Logic Chart for Verification of Accounting Period Change Lists**Action/Solution**

- A** Don't simply note "Did not receive." on the change list.
- B** Note on the change list: (1) the problems, (2) action you are taking to correct it, and (3) other action needed.
- C** Retain identification labels.
- D** Contact personnel who might use the equipment and try to find out whether the item was received or service was performed.
- E** Consult and coordinate with the manager of administrative service.
- F** Forward copy of pertinent document to the manager of administrative service.
- G** Discuss with Maintenance, Building Engineer, Functional Manager, Site Coordinator, or the manager of administrative service as appropriate. Contract documents could be available in contracting office files.
- H** Contact shipping office.
- I** Request copy of shipping document.
- J** Request shipping status from carrier.
- K** Request copy of documentation from the district.
- L** After first attempting local inquiry and seeking district assistance, contact the San Mateo ASC, explain the situation and request assistance.
- M** Return identification labels, as applicable, with the change list to the San Mateo ASC.
- N** Attach copy of appropriate documents to the change list and forward to San Mateo ASC, requesting research adjustment.
- O** If modification has been completed, include modification notification with appropriate equipment file.
- p** If property acquisition costs, services, or other charges are verified and there is no available support documentation, make a note of the action you have taken and file with the list.
- Q** Enter information in the extended description field of the Property and Equipment Accounting System.
- R** Identify the actual equipment installed, indicate the correct identification number to be charged on the change list, and return the change list to the ASC.
- S** Issue PS Form 2880 for deletions and additions that cannot otherwise be substantiated as disposals.
- T** Enter location information in the location field of the Property and Equipment Accounting System.

Exhibit 576.2 (p. 1)

PS Form 2880, Physical Inventory Certification/Adjustments

Physical Inventory Certification/Adjustments										Page <u>1</u> of <u>1</u>	Instructions
1. Identification			Finance No. _____ State <u>05</u> <u>6</u> <u>9</u> <u>3</u> <u>9</u>		Post Office/Installation ID: _____		Name Santa Ana Customer Service & Sales District City, State, ZIP Code Santa Ana, CA 92799-9993				
2. Deletions											
Property Code No.	Qty	Recorded Cost	Cr	Year Acq.	ID No.	Description/Comment					
3950.00	1	\$4,010	X	86	346076	Micro Computer System, IBM PCAT, s/n 0282526					
	1		X								
	1		X								
	1		X								
	1		X								
Total Cost		\$4,010									
3. Additions											
Property Code No.	Qty	Recorded Cost	Cr	Year Acq.	ID No.	Description/Comment					
	1		X								
	1		X								
	1		X								
	1		X								
	1		X								
Total Cost											
4. Certification											
☒ Physical Inventory Completed:										Signature -- Installation Head _____ Date _____	
By: Nick Scanchetti, DMAO										Signature -- Material Accountability Officer _____ Date _____	
☐ No Adjustments Required										NOTE: If deletions or additions total \$100,000 or more, forward to Headquarters, National Accounting for review.	
PS Form 2880, August 1994											

Exhibit 576.2 (p. 2)

PS Form 2880, Physical Inventory Certification/Adjustments**Completion Instructions -- Installation Head**

Use this form **ONLY** to process physical inventory adjustments of capital personal property -- deletions and additions that cannot be substantiated as disposals, transfers, or acquisitions. Complete in duplicate. Submit original according to instructions (See HBK AS-701). Retain copy to verify property change listing. If more than one Form 2880 is used, number them 1 of 5, 2 of 5, etc., at top of form on front. Note: Section 4 must be completed.

1. Identification

Finance No. Enter numeric state code and 4-digit installation number.

Post Office/Installation ID. Enter name, city, state, and ZIP code.

2. Deletions

Property Code No. (PCN). Enter 6-digit PCN of equipment from property inventory listing.

Qty. (Quantity). This column has a preprinted 1 for number of items. For Accounting Service Center (ASC) use only.

Recorded Cost. Enter cost for each item deleted. Obtain data from property inventory listing.

Cr. (Credit). This column has a preprinted X. For ASC use only.

Year Acq. (Year Acquired). Enter data from property inventory listing.

ID No. Enter ID number from property inventory listing. This number is mandatory. If unavailable note in Description/Comments column.

Description/Comment. Self-explanatory.

Total Cost. Enter sum of all deletions.

3. Additions

Property Code No. Enter 6-digit PCN of equipment from Handbook F-43, *Property Code Numbers*.

Qty. This column has a preprinted 1 for number of items.

Recorded Cost. Enter cost for each item added. Research records thoroughly to determine reasonable cost.

Year Acq. Enter year, after researching records to determine reasonable acquisition year.

ID No. Enter ID number, if available.

Description/Comment. Self-explanatory.

Total Cost. Enter sum of all additions.

4. Certification

Self-explanatory. This section **MUST** be completed whether or not adjustments are required.

6 Asset Recovery: Redistribution, Recycling, and Disposal

61 Introduction

611 Policy

611.1 Asset Recovery

Through asset recovery, items no longer required or no longer retaining a specific functionality with regards to their original purpose are reclaimed or restored to some degree of usefulness. Asset recovery benefits the Postal Service by incorporating supply chain management practices described in this chapter to costs avoidance and revenue generating methodologies while stipulating environmental protection policies.

611.2 Redistribution, Recycling, and Disposal

The Postal Service is concerned with the effective, efficient, and profitable disposal of surplus, obsolete, scrap and other types of material within our organization. Redistribution, recycling, and disposal actions must serve the overall interest of the Postal Service.

611.3 Environment

The Postal Service environmental policy, as stated in Handbook AS-550, *Recycling Guide*, and Handbook AS-552, *Pollution Prevention Guide*, must be incorporated into procedures governing material redistribution, recycling, and disposal.

The Postal Service is committed to conducting all its activities in a manner that protects human health and the environment, and will not hesitate to exceed legal requirements when appropriate. In establishing regulations and practices, the Postal Service implements policies that follow these guiding principles:

- a. Meet or exceed all applicable environmental laws and regulations in a cost-effective manner.
- b. Incorporate environmental considerations into our business planning processes.
- c. Foster the sustainable use of natural resources by promoting pollution prevention, recycling, reuse of materials, and waste reduction.

- d. Expect every employee to take ownership of and responsibility for our environmental objectives.
- e. Work with customers to address mutual environmental concerns.
- f. Measure our progress in protecting the environment.
- g. Will encourage contractors to comply with similar environmental protection policies.
- h. Initiate pollution prevention technique by focusing on the use of material and processes that eliminate or reduce the quantity and toxicity of wastes at the source.

612 **Applicability**

These policies and procedures apply to the redistribution, recycling, and disposal of material throughout the Postal Service. All installation heads, functional managers, supervisors, and supply chain management personnel at all organizational levels of responsibility must comply with these instructions. Area, district, or local management may establish additional review and approval procedures only if the Material Service Center and the Area Environmental Compliance Specialist approve the procedures or process.

613 **Purpose**

This chapter provides the following:

- a. Procedures for Postal Service material managers to use in identifying, reporting, redistributing, crediting, and disposing of inactive, excess, or surplus material.
- b. Procedures for identifying oversupply, designating retention assets, and reporting and redistributing excess inventories of material.
- c. Procedures that apply to excess or surplus equipment and other material lent outside the activity inventory.
- d. Methods for identifying, reporting, shipping, and controlling, including internal and external reassignment of, these items.
- e. Return procedures unique to special material categories such as mail transport equipment, vehicles, automated data processing equipment, etc.
- f. Procedures for selling, scrapping, recycling, or disposing of supplies unserviceable or obsolete, including procedures that apply to auction sales.

614 **Responsibilities**

Installation heads, material management specialist, material accountability officers, and other employees designated as responsible for material management must take all necessary steps to ensure the prompt and proper redistribution, recycling, and disposal of material declared nonrepairable, obsolete, surplus, or inactive. Material management personnel are responsible for ensuring that redistribution, recycling, and disposal are accomplished promptly, within environmental guidelines.

615 Definitions

The following are definitions of terms used in this chapter:

- a. *Redistribution* is the process of returning inactive serviceable assets to the source of supply or transferring them to a Postal Service activity that can use them.
- b. *Disposal* is the process of properly relinquishing possession of assets that are unrepairable, obsolete, or surplus to Postal Service needs through trade-in, sale, cannibalization, sale for recycling, transfer, donation, or placement in a landfill.
- c. *Inactive material* refers to all assets that are not being used.
- d. *Recycling* refers to the collecting, processing, redistributing and reusing, of material otherwise destined to be discarded.
- e. *Excess Items Catalog (EIC)* is an eBay catalog that contains excessed Postal Service items.
- f. *Recovery of Assets and Material (RAM)* involves the reutilization and disposal of excess/surplus Postal Service assets (parts, supplies, and equipment). RAM establishes processes, procedures and policies that improve and contribute to the overall financial well being of the Postal Service. RAM employs specific tactics to reduce inventory investment, and to enhance management of excess/surplus assets.

616 Postal Service Forms Used

The following Postal Service forms are used in the redistribution and disposal of material:

Form Number	Form Name
PS Form 965	Salvage or Junk Tag
PS Form 969	Material Recycling and Disposal
PS Form 1586	Supply Record (card)
PS Form 3544	Post Office Receipt for Money
PS Form 4707	Out of Order (tag)
PS Form 4783	Maintenance Control Supply Room Inventory Record
PS Form 7340	Shipping Instruction for Excess Property
PS Form 7348	Sale of USPS Personal Property — Bid and Award
PS Form 7348-B	Sale of USPS Personal Property — Item Bid Page

Multi-Agency Forms:

Form Number	Form Name
OF 16	Sales Slip — Sale of Government Personal Property
SF 122	Transfer Order — Excess Personal Property
SF 123	Transfer Order — Surplus Personal Property

Commercial Form(s):

Postal Service Bill of Lading (PSBL)

62 Material Identification and Reporting

621 General

Inactive material accounts for a portion of total Postal Service assets. Some causes of excessive inactive assets are changing requirements, erroneous stocking objectives, duplicate buying, inaccurate forecasting, and obsolescence. The Postal Service can reduce total cost of ownership through concentrated efforts which involve accurately identifying all material, consistent reporting, and the redistribution or disposal of these assets. Significant cost avoidance can be achieved by using the excess items catalog (EIC) to redistribute assets versus new purchases.

622 Responsibilities

622.1 General

All Postal Service personnel are responsible for identifying inactive assets within their local working area and reporting them to the appropriate management level. Installation heads, maintenance managers, material accountability officers, and other employees responsible for material management will take all necessary steps to ensure the prompt and proper disposition of identified inactive assets. Material management personnel are responsible for ensuring that redistributions are accomplished promptly.

622.2 Operational Personnel

Postal Service manager's at all functional levels are responsible for:

- a. Ensuring that funds are not spent for new material if the need can be filled on time and economically by using the EIC.
- b. Ensuring that inactive serviceable assets both excess to the manager's own operational needs and restricted for planned future use are identified, reviewed and reported to the material accountability officer (MAO). Transfers will be conducted in accordance with the procedures in this chapter.

622.3 Installation Heads and MAOs

The Installation head delegates the material accountability officer (MAO). The installation heads and MAOs are at the front line to ensure accurate identification, prompt reporting, and transfer of inactive assets. Critical responsibilities relating to material identification and reporting are:

- a. Accurately identifying inactive assets, using appropriate resources such as Publication 247, *Supply and Equipment Catalog*.
- b. Determining serviceability of inactive assets.
- c. Maintaining communication with appropriate functional managers concerning repairable equipment to be returned to use.
- d. Ensuring that all assets identified as *excess serviceable* and are promptly and accurately reported through channels.

- e. Maintaining inventory control of inactive equipment assets within the facility, either manually or automated, and filling requirements from the EIC in lieu of new purchases.
- f. Ensuring that excess assets requested by another Postal Service activity are promptly transferred as directed by material management.
- g. Promptly coordinating changes in status of inactive assets (e.g., put into local use) with the district material management specialist.
- h. Ensuring that all serviceable excess items are placed in the eBuy EIC.

622.4 **Maintenance Management**

Maintenance management employees are more aware of *inactive material* status than most Postal Service employees. Their positions are critical to assuring that inactive serviceable (ready for immediate use) assets are declared excess. Maintenance management responsibilities are:

- a. Assisting the MAO in accurately identifying inactive equipment, using the appropriate resources.
- b. Determining serviceability of inactive equipment assets identified as excess.
- c. Assisting the MAO in determining feasibility of repair vs. disposal of inactive equipment assets.
- d. Promptly ensuring those repairs to inactive equipment assets are made and that these assets are reported through channels, with assistance from the MAO.
- e. Reporting inactive equipment assets to the MAO.
- f. Ensuring that inactive equipment assets destined for transfer are properly packaged for shipment to avoid damage during transit.
- g. Assisting the MAO and installation head in ensuring that excess assets are promptly transferred as directed by material management.
- h. Ensuring that the optimization report housed in the Maintenance Inventory Support Process (MISP) module of the eMARS is used to assist maintenance with controlling excess.
- i. Promptly reporting any changes in status of inactive equipment assets (e.g., returned to local use) through the appropriate MAO to the material management specialist.

622.5 **District Material Management Specialists**

The district material management specialist (DMMS) position, which reports to the manager of administrative services/finance, is responsible for reviewing and assisting in the identification, reporting, and transfer of inactive assets. These specialists provide assistance and guidance in material management activity to all personnel within the district served. MAOs, installation heads, and maintenance managers are the primary field contacts. DMMS responsibilities are:

- a. Ensuring the proper identification, reporting, and storage of inactive serviceable assets.

- b. Monitoring to ensure that excess assets are promptly and accurately reported. Equipment should be reported using the EIC.
- c. Ensuring that appropriate personnel in all offices within the district have access to appropriate supply data, and reports.
- d. Maintaining inventory control of inactive equipment assets within the district using the EIC and encouraging filling of requirements from excess in lieu of new purchases.
- e. Coordinating the transfer of excess serviceable assets and providing appropriate documentation to process transfer and shipping.
- f. Assisting the installation head and MAO in ensuring that excess inactive equipment assets are promptly transferred.

622.6 **Material Service Center Material Management**

Material Service Center (MSC) material management is responsible for assisting the DMMS in performing material management activities and recommending changes in policy and procedures to Headquarters. Their responsibilities relating to redistribution are:

- a. Providing technical assistance in the redistribution of supplies and equipment, as well as, training for all parties involved in asset redistribution.
- b. Reviewing material management reports to ensure that assets are promptly and accurately reported in the EIC and following up on past due reports.
- c. Reviewing recommendations and providing input at the national level regarding redistribution policy.

622.7 **National Supply Management Programs**

The National Supply Management Program (NSMP) develops instructions for implementing redistribution procedures and planning.

622.8 **Supply Management Operations**

Headquarters Supply Management Operations develops policy, procedures, and plans to manage Postal Service assets.

623 **Identification of Inactive Material**

623.1 **Material Designation**

623.11 **Oversupply Material**

These assets include the quantity on hand or on order above the established requisitioning objective for an item.

623.12 **Retention Material**

These are assets that represent a maximum (month) usage level or that has been specifically reviewed and approved for activity or system retention based on operational criticality, special program requirements, limited future availability, contingency planning, etc.

623.13 Excess Material

These are assets over and above the foreseeable needs of the Postal Service facility or organization accountable for them, and are serviceable and readily available for redistribution (not designated for retention).

623.14 Surplus Material

These are assets over and above the foreseeable needs of the Postal Service nationwide.

623.15 Obsolete Material

Assets which no longer provide or have a functional requirement within Postal Service systems, processes or machinery, due to the development of new and more economical methods.

623.2 Review Procedures

DMMS with the support of MSC personnel will review all categories of material assets, primarily oversupply, retention, and excess on a quarterly basis.

624 Reporting of Inactive Inventory**624.1 Policy**

Excess equipment items must be listed in the EIC. Unserviceable items will not be reported in the EIC.

624.2 Reporting Methods**624.21 General**

The holding activity has two options for reporting inactive equipment for redistribution: tagging or memorandum to the appropriate material management group.

624.22 Tag Reporting**624.221 USPS Forms**

Use the following Postal Service forms to tag and report inactive assets:

- a. PS Form 7364, *Serviceable Property Tag (Excess)*. This four-part tag can be used to identify excess serviceable equipment assets (see [Exhibit 624.221a](#)).
- b. PS Form 4707, *Out of Order (tag)*. This perforated two-part tag with string is used to identify equipment in need of repair. Once completed, the string part is attached to the equipment and the detachable stub is forwarded to maintenance management. Before initiating repair, the installation head or designee must determine whether the repair should be performed. When repairs to an unserviceable item are deemed not cost effective, tag the item with a PS Form 965 and initiate recycling or disposal action (see [Exhibit 624.221b](#)).
- c. PS Form 965, *Salvage or Junk Tag*. This one-part tag is used to identify unserviceable equipment that is *not cost effective* to repair. Immediate recycling or disposal action should be taken. (See [Exhibit 624.221c](#).)

624.222 Status Changes

Status changes must be reported as follows:

- a. *Holder of Item.* If a reported item has been returned to service, transferred, or disposed of, remove copy 4 of PS Form 7364 (see [Exhibit 624.221a](#)) from the material and note on it the appropriate change in status and date (for example, "Put into use 11/30/04").
Note: DMMS have access to the EIC and may process status changes on-line without using PS Form 7364.
- b. *PS Form 7364.* When using PS Form 7364 to identify multiple units of noncapital equipment items, the batch-tag method (one tag for a batch of multiple items) may be used. Report status changes as follows:
 - (1) Affix copy 4 and note change in the number of items followed by the appropriate transaction codes.
 - (2) Copy the updated form and forward through the material accountability officer to the functional manager, attention material management specialist.
 - (3) Reaffix original form on remaining units.
- c. *Area Offices and Headquarters Field Activities* must follow instructions in [624.222](#), but forward copies of PS Form 7364 to the supporting material entity, attention material management, or use the memorandum reporting method (see [624.23](#)).
- d. *MAOs, District and MSC Material Management Specialists* with EIC access must:
 - (1) Review PS Form 7364 (or memorandum input) upon receipt for complete and accurate information.
 - (2) Once the information is verified, access the EIC and process data according to instructions in the EIC user module.
- e. *Material Not Requiring Tagging.* Several items are *not* tagged and do not need to be listed in the EIC prior to redistribution or disposal. These include:
 - (1) Repair parts (see Handbook MS-63, *Maintenance Operations Support*, and Publication 112, *Repair Parts Catalog* (in CD ROM)).
 - (2) Motor vehicles (see Handbook PO-701, *Fleet Management*).
 - (3) Consumable supplies, directives, and forms (see Publication 247, *Supply and Equipment Catalog*, and Publication 223, *Directives and Forms Catalog*).
 - (4) Mail Transport Equipment (MTE).
 - (5) Obsolete retail vending equipment.

624.23 Memorandum Reporting**624.231 District/Performance Clusters**

Memorandum reporting is done by notifying applicable DMMS via memorandum, e-mail or as otherwise instructed by local management. Provide the following information: PSIN/NSN, PCN, description, finance number, capital ID number (if applicable), quantity, condition (serviceable or unserviceable), location, contact name, and telephone number.

624.232 Headquarters Field Units

Headquarters field units (such as Inspection Service offices or facilities service offices) and area offices may use the memorandum method by contacting the material management team at the applicable MSC.

624.24 Special Equipment Reporting**624.241 Major Mechanization and Automated Equipment**

[Table 624.24](#) describes the special reporting and handling procedures associated with the movement of MPBCS/OSS, AFMS/100, facer-cancelers, DBCS/OCRs, etc.

Table 624.24

Special Equipment Reporting

Equipment Type	Tag and Report In Excess <i>Items Catalog</i>	Additional Procedures
Major Mechanized and Automated Equipment	Entry with immediate closure (transfer) is optional	Approval from area VP through Area In-Plant Support Merrifield, VA; coordinate with MAO and DMMS for processing all accountability transfers via the Property Equipment Accounting System (PEAS)
Retail Vending	Yes	Contact district retail specialist to confirm proper reporting in EIC; review MLBs for obsolete equipment.
Inspection Service items	Yes (security containers)	Report other items by memo to local postal inspector in charge (see Exhibit 624.243).
Mail Transport Equipment	No	Report through transportation and networks specialist.

624.242 Retail Vending Equipment

This equipment, although reported as excess, requires additional reporting procedures.

- District Retail Specialist will report excess retail vending equipment to the DMMS.
- Both parties should review *Material Logistics Bulletins* for current and obsolete vending equipment. (See [64](#) for disposal instructions.)
- Excess vending equipment will be entered in the EIC.

624.243 Inspection Service Items

Excess Inspection Service controlled items (see [Exhibit 624.243](#)) are reported by memorandum to the local postal inspector in charge and listed on the EIC. See section [645.2](#) for recycling and disposal instructions for Inspection Service controlled items.

624.244 Mail Transport Equipment (MTE)

All MTE items must be reported to the MTE Support System through Transportation and Networks, Processing and Distribution, to the Area Distribution Networks Office (DNO).

624.245 Information Technology Equipment

Report excess, obsolete, or nonrepairable Information Technology (IT) equipment (e.g., computers, laptops, printers, digital copiers, fax machines, Blackberries, and cell phones) to the supporting IT organization for disposition. IT updates its AIMS database and provides disposition instructions to the reporting activity.

625 Report Review**625.1 eBuy Reports/EIC Maintenance**

Refer to eBuy and the EIC modules.

625.2 Responsibility**625.21 DMMS**

The DMMS must review the following reports in eBuy. DMMSs will take the appropriate actions after each review:

- a. Reviews will be conducted as follows:
 - (1) Catalog Listing for Area/District (weekly).
 - (2) Items Pending Disposition (daily).
 - (3) Items Pending Approval (daily).
 - (4) Order Management (daily).
- b. Recovery of Assets and Material (RAM) documentation will be reviewed by the DMMS before submission to the MSC. Upon receipt at the MSC the documentation will be checked and transcribed for submission to Supply Management Operations for posting.

625.22 MSC Material Management Specialist

MSC material management specialist (MMS) will review all items listed in [625.21](#) at a minimum, every week, and take the indicated actions.

63 Redistribution

631 General

Redistribution is the movement of property from one postal installation to another.

632 Benefits

Some benefits of redistribution include:

- a. The avoidance of the cost of a new purchase.
- b. Immediate availability of the material.
- c. Reduction in “Total Cost of Ownership” storage space and holding costs.
- d. Optimum utilization of available assets.
- e. Transfer of remaining capital depreciation to the gaining finance number.

633 Return/Transfer Processes

633.1 Options

Proper authorization and applicable forms are required for each of the following options:

- a. Return centrally stocked items such as repair parts and supplies to the MDC.
- b. Return item to local vendor who furnished the item.
- c. Transfer between Postal Service activities by using the EIC.

633.2 Return to MDC

633.21 Repair Parts, Supplies, and Equipment

633.211 Requesting Office

Items considered for return to the MDC must be new, properly marked, in its original package, and be at least \$50.00 in value. Additionally, supply items must also be the current edition date in full carton quantities. Excess items can not be returned without prior approval. Approval can be requested by submitting a completed *Request for Return Authorization*. This form is available on the Material Customer Service Web site at: http://blue.usps.gov/purchase/operation/ops_nmcs_home.htm.

A separate form should be completed for each group code. Maintenance stockrooms also have access to a *Request for Return Authorization* form that is located in the MISP section under Optimization in eMARS. The completed form can be e-mailed to “Topeka Parts RA” or can be mailed to:

CAPITAL EQUIPMENT MATERIAL MANAGEMENT
US POSTAL SERVICE
500 SW GRAY ORMSBY DRIVE
TOPEKA KS 66624-9995

Requests will normally be processed within 10 working days. The appropriate item manager will evaluate all requests to determine which items and quantities are authorized for return. The item manager will specify credit/non-credit disposition and will assign a Return Authorization (RA) number.

The approved RA form will be returned to the requesting office. Items approved for return to the MDC should be returned within 21 days of the approval date. The RA number must be on the outer cartons and labels. Include a copy of the RA form as a packaging slip to ensure proper credit. Offices returning unauthorized items or that fail to return items in a timely manner will not receive credit, nor will the items be returned to the site.

633.22 Equipment

633.221 Requesting Office

Excess serviceable equipment items must first be reported to the servicing DMMS. The DMMS will review the items for listing in the EIC. Items listed in the EIC can be redistributed locally or nationally. New items that aren't utilized through the method noted above can then be considered for return to the MDC.

633.23 **Return Procedures for Discrepant Order**

When there are shipping errors on items ordered through the MDC, contact Materials Customer Service (MCS) to have the error corrected. Have the initial shipment documentation available when calling the MCS. If the order discrepancy was caused by an MDC error, MCS will credit the site or authorize a return. Do not return any items to the MDC without prior return authorization. Do not send back any item via priority mail.

633.3 **Maintenance Office Review of eMARS Reports**

Maintenance offices should review the Inventory Optimization Report every six months and the Low/No Issues Report once a month to determine if an item is a candidate for return to a vendor. These reports are located in the Inventory MISP module of eMARS (see Handbook MS-63, *Maintenance Operations Support*) for additional instruction.

633.4 **Transfer Between Postal Service Activities**

633.41 **Repair Parts**

633.411 **Requesting Office**

A facility or Inventory Control at the MDC may request transfer of a repair part, either because a shortage exists at the MDC or an emergency need exists. Credit will be granted at 100 percent of book value.

633.412 **Procedure**

Maintenance offices must review the eMARS stock catalog to determine if a part is available for redistribution. If available:

- a. Transfer in accordance with local procedure.
- b. Contact the MSC for assistance with items the MDC will not authorize for return or vendors will not accept back.

633.42 **Supplies**

Excess supply items may be redistributed. If needed, request assistance from the DMMS. The following guidelines may be established locally:

- a. Prepare a memorandum listing the supply items by: NSN, description, quantity, edition/issue date, and shelf life (if applicable).
- b. Circulate the listing within the immediate area (local stations/ branches) or district wide.
- c. Annotate the transfer on PS Form 1586, *Supply Record (Card)* (see [Exhibit 633.52](#)), or automated supply system.

633.43 **Equipment**

633.431 **Requesting Office**

When a requirement for equipment is identified, the EIC will be used as a first source of supply by the requesting office.

Note: All Postal Service departments with both Customer Service and Processing and Distribution functions must ensure that all in-house assets are reviewed for availability. If the requirement cannot be satisfied with on-site assets, and is available in the EIC, the requisitioner will submit an eBuy request to acquire the item from the EIC.

633.432 Process

eBuy users have access to the EIC. Therefore, they have the ability to order items from the EIC.

The process is as follows:

- a. Upon the approval of an EIC requisition, eBuy forwards the approved request to the owning or holding the DMMS for completion or denial.
- b. The DMMS that maintains ownership of the item will ship it to the requestor or deny the request. No matter which situation occurs eBuy will forward an e-mail to the requisitioner explaining the status of the order.
- c. Postal Service facilities, district and area offices that do not have eBuy capabilities, will use local requisitioning policies and procedures.
- d. The DMMS holding the item will ensure that items designated (approved) are shipped. When a PSBL is required the DMMS maintaining or holding the item will prepare the PSBL (for instructions see the FTMS user's guide).

633.433 Shipping Office

The installation head or MAO of the shipping office ensures that items are properly packaged for shipment and expeditiously transferred. When the item is capital property, the *Property and Equipment Accounting System (PEAS)* will be used to perform the transfer. A copy of the last screen shot which appears before the transfer is completed in PEAS will be placed in the pending verification file for reconciliation with the Property Change for the Month listing. If the item is expense, file in the expendable material transaction file.

Note: If the capital property ID label is not affixed to the property, either affix label to the property or mail directly to the consignee.

633.434 Receiving Office

The installation head or MAO at the receiving office must take the following steps:

- a. Retain a copy of the PS Form 7340 for capital items in the suspense file pending receipt of the items.
- b. Upon receipt, verify shipment against PS Form 7340 for accuracy. When the item is capital, ensures that the ID label is attached to form or on item and is correct. If not, contact the shipping office and/or applicable DMMS. Retain the form in the pending verification file to reconcile with the monthly period change listing.
- c. If not received within 15 days, contact the shipper and/or applicable DMMS for assistance.
- d. A PSBL may accompany the PS Form 7340 if commercial transportation is required. Maintain copies with electronic PS Form 7340. See [55](#) and [56](#) for instructions.

633.44 **Special Equipment Redistribution**

633.441 **Mail Transport Equipment (MTE)**

The area Distribution Networks Office (DNO) currently controls redistribution of MTE items with information provided by Transportation and Networks at the Processing and Distribution Centers/Facilities.

633.442 **Major Mechanization and Automated Equipment**

The area office of In-Plant Support is responsible for approval of all relocation and excessing of major mechanization/automated equipment within the respective areas.

633.443 **Inspection Service Items**

Normal redistribution procedures apply with approved requests for transfer (see [624.243](#)).

633.444 **Vending Equipment**

The district retail specialist and the manager of Customer Service Support (Area) review assets. Normal redistribution procedures apply with approved requests for transfer.

633.445 **Motor Vehicles**

The manager of Vehicle Maintenance currently reviews these assets. A PS Form 7340-A, *Shipping Instructions for Excess Property — Vehicle* (see [Exhibit 633.545](#)), is processed to document all transfers (see Handbook PO-701, *Fleet Management*).

633.446 **Information Technology Equipment**

Redistribution of IT equipment (e.g., computers, laptops, printers, digital copiers, Blackberries, fax machines, and cell phones) is controlled by the supporting IT organization. IT equipment is only transferred or reassigned to another activity or person with direction from the supporting IT organization.

633.5 **Return Procedures**

633.51 **General**

The procedures noted in [Table 633.51](#) provide guidance for all returns unless stipulated by a policy or directive of Supply Operations or its designee.

Table 633.51

Summary of Return Procedures

Material Being Returned	Authorization	Credit Percentage	Marking & Packing	Comment
Repair Parts	Inventory Control Topeka Operations	Zero for past bought with capital funds. All others can generate 100% credit with approved RA.	Mark RA on label and inside container. Ship printed circuit boards in antistatic bags and foam cartons. One PS Form 7433 per repair item, section A & B to accompany repair items. Approved RA to accompany shipment.	Prevent replenishment by changing eMARS source code to M, L, X, or U. Authorized items must be received by TMDC within 30 days of RA approval.
MDC Supplies, Forms, and Directives	Shipping MDC	100% for new items in carton.	Mark RA on label. Approved RA to accompany shipment.	Only new, full cartons will be considered.
Express Mail and Priority Mail Items	Express Mail® and Priority Mail® Supply Center	No credit.		
GSA-MRA (Material Returns Authorization) Material Ordered in Error	GSA Customer Service 800-488-3111	100% of current GSA price.	Per GSA Customer Service Guide.	All GSA request must be authorized prior to return.
GSA-MRP (Material Returns Program Excess)	GSA Customer Service 800-488-3111	80% of current GSA price.	Per GSA Customer Service Guide.	All GSA request must be authorized prior to return.
DLA (Defense Logistics Agency)	Call responsible Commodity Defense Supply Center or DLA Rep listed in DLA Customer Svc Guide	Credit in accordance with condition of material returned.	Instructions provided by contract person.	

Codes:

A = Repairable parts authorized for local stockage.

B = Purchased by BPA.

C = Local purchase under warranty.

L = Local Purchase.

N = Repairables procured other than from TMDC and repaired locally.

U = Repairables procured from TMDC but repaired locally.

X = Items automatically deleted from inventory master file when the BOH becomes zero.

633.52 ExceptionsThe following are exceptions to the procedures in [Table 633.51](#):

- a. Cost transfers within district boundaries. These are considered as local decisions.
- b. Individual transactions with a cumulative value of \$100 or less. This exception avoids the high cost of processing.

64 Recycling and Disposal

641 Responsibilities

Installation heads, material accountability officers, and other employees responsible for managing material must take all necessary steps to ensure the prompt and proper recycling and disposal of material. MSC and district material management personnel are responsible for providing guidance and coordinating with MAOs the disposal activities throughout their assigned geographic area.

642 Approval and Disposition

Disposal actions and methods for capital and sensitive property must be approved in advance; some other items require special documentation and handling. Accidental destruction, loss, or theft must also be documented. The requirement for prior approval is not applicable for material disposed of by trade-in. See [Table 642](#).

Table 642

Approval and Disposition Matrix

Material	PS Form 969 Needed	Prior Approval Needed?	Supervised Destruction Committee
Capital or Sensitive Expense	Yes	Yes: Manager, Administrative Service or designee ¹	Yes
		Yes: Team Manager, Material Service Center, or designee ² Note: Prior approval is not required for items being traded in. PS Form 969 processed, however, to document the disposition of the item.	
Nonsensitive Expense	Yes	No	No
Consumables (Supplies, Forms, Directives, Repair Parts)	No	No	No
Antiques/Collectibles	Yes	Yes: Postal Service Historian	Yes

1. CS/S Districts; VMFs; Stations and Branches; Associate Offices; P&D Centers; P&D Facilities; Maintenance; MIS; AMCs; AMFs; and BMCs.

2. HQ field organizations; Area Offices; Inspection Service Offices.

643 Supervised Destruction Committee

The supervised destruction committee, at a minimum, should include the installation head/designee and the MAO. For disposal actions involving the destruction of capital items or sensitive property, a supervised destruction committee must be established at all postal facilities. This committee witnesses and documents material destruction by signing PS Form 969 (see [Exhibit 624.221d](#)).

644 Documentation

PS Form 969 is completed by the owning unit's personnel before the disposal of capital and noncapital property. PS Form 969 is available on the Blue page; click *Forms* (instructions are on Page 2 of the form).

Accounting practices require that signature blocks 17, 20, and 21 on PS Form 969 are signed by different individuals when disposing of *capital property*. The order (dates) in which the required signatures are obtained is at the discretion of local management.

PS Form 969 is used to document the disposal of *capital equipment*; the completed form is sent to the supporting *Asset Accountability Service Center* (AASC) for processing. Only the original signed document is acceptable for submission to an AASC. PS Form 969 is also used to document the disposal of *noncapital equipment*; the completed form is filed locally (copies are not sent to the AASC unless otherwise directed).

PS Form 969 is not required for the disposal of consumables. Contact an AASC for technical guidance if needed.

Note: For Headquarters (HQ) and HQ field units, the finance number accountable manager/department head assumes the same responsibilities as an installation head for the purposes of documentation and accountability.

645 Material Requiring Special Approval

645.1 Antiques and Collectibles

645.11 General

All antiques, collectibles, and objects of historic value must be controlled within a postal facility and appropriately safeguarded to ensure that they are not damaged, destroyed, stolen, or disposed of as junk or valueless property.

645.12 Exceptions

Antiques and collectibles, except for the types of postal property listed below, may be disposed of only with the specific approval of the Postal Service historian:

- a. New Deal artwork (see Handbook RE-1, *Realty Acquisition and Management*).
- b. Postal Service property listed in the current edition of Publication 247, *Supply and Equipment Catalog*.
- c. Postal Service-owned or -leased real property.
- d. Records (see [645.16](#)).

645.13 Definitions

Antique — a unique or commercial object owned by the Postal Service that is at least 100 years old.

Collectible — anything that has value or interest for a person or organization and is less than 100 years old. Age distinguishes a collectible from an antique. Examples of Postal Service collectibles are a 1913 Seth Thomas wall clock in an oak case; a collection bag used prior to 1930; an airmail mailbag; leather-topped oak lobby tables; a brass, post-mounted collection box; and a hanging scale.

Object of Historic Value — something that is one of a kind, rare, or associated with a particularly significant person or event in postal history. An example of an object of historic value is a ballpoint pen used by President Nixon to sign the Postal Reorganization Act.

Artwork — a painting, sculpture, mural, drawing, mobile, engraving, etching, etc., owned by the Postal Service and located in a Postal Service facility or on loan to a museum, historical society, library, etc. Artwork may be of any age.

Memorabilia — written or printed manuscripts, documents, books, and publications that may be considered antique, collectible, or of potentially historic value. Memorabilia are to be maintained and protected because their intellectual content contributes to the documentation and understanding of the history of the structure, functions, and activities of the Postal Service or Post Office Department. Examples include postmasters' certificates of commission, personal correspondence, journals, diaries and scrapbooks, copies of press releases and clippings, and copies of speeches.

645.14 **Care of Historic Items**

645.141 **Responsibility**

Managers at all levels should be aware of the antiques, collectibles, and objects of historic value in use, stored, or displayed in their facility. However, the postmaster or head of a facility is ultimately responsible for historic items in his or her facility.

645.142 **Preserving Antiques, Collectibles, and Objects of Historic Value**

All antiques, collectibles, and objects of historic value in use, on display, or in storage must be properly cared for and preserved. Follow these general rules to enhance preservation:

- a. Keep each object in a safe environment. Objects should be protected from theft; vibration; extremes of heat, cold, and humidity; excessive natural, incandescent, or fluorescent light; and physical damage (scratching, bumping, breaking, etc.).
- b. Inspect objects every three months to make sure that they have not become damaged or soiled.
- c. Conserve objects as necessary. Guidance on selecting a qualified conservator may be obtained from:

HISTORIAN
UNITED STATES POSTAL SERVICE
475 L'ENFANT PLAZA SW
WASHINGTON DC 20260-0012

Telephone: 202-268-2074

Fax: 202-268-5413

e-mail: phistory@usps.gov

CONSERVATION SERVICES REFERRAL SYSTEM
AMERICAN INSTITUTE FOR CONSERVATION
1156 15TH ST, NW STE 320
WASHINGTON DC 20005-1714

Telephone: 202-452-9545

Fax: 202-452-9328

e-mail: info@conservation-us.org

Website: www.conservation-us.org; click *Find a Conservator*

645.15 **Transfer or Disposal**

645.151 **Approval for Disposal**

Local Postal Service officials may not take any disposal or other action regarding historic items, whether by donation, sale, or otherwise, without the approval of the Historian. Requests for such approval must include a clear photograph of the item, a written description of the item, the proposed method of disposal, and the reason why the proposed disposal is appropriate.

645.152 **Loans**

Loans of historic items, when approved, must be subject to the care and security requirements above. A written loan agreement is required. It must be signed by the local postal official and the authorized agent of the borrowing institution and must set forth all the terms of the loan.

645.153 **Sale or Auction**

When the disposal of historical items by sale or auction has been approved, follow the guidance for disposal as set forth elsewhere in this chapter.

645.154 **Receipts from Sale**

Any receipts from the sale of antiques, collectibles, or objects of historic value, artwork, and memorabilia must be entered in AIC 157, "Sale of Postal Antiques," on the Postmaster's Statement of Account. The entry to AIC 157 will be reflected in Special Revenue Account 44036, "Other Miscellaneous — Sale of Postal Antiques."

645.16 **Records**

645.161 **Records Created Before Postal Reorganization on July 1, 1971**

All old records that were generated by the Post Office Department are subject to the Federal Records Act and must be offered to the National Archives and Records Administration for appraisal, disposition instructions, and, if warranted, accession into the National Archives.

645.162 **Records Created After Postal Reorganization on July 1, 1971**

Postal Service records are the property of the Postal Service. Postal Service functional groups with an interest in the records determine their disposition. All such records should be maintained and disposed of in accordance with existing records control schedules appearing in various Postal Service directives.

645.163 Assistance

For assistance in handling records created before July 1, 1971, and in the disposition of Postal Service records created after that date, contact:

RECORDS OFFICE
UNITED STATES POSTAL SERVICE
475 L'ENFANT PLAZA SW RM 4541
WASHINGTON DC 20260-2201

Telephone: 202-268-7119

Fax: 202-268-8976

645.2 Inspection Service–Controlled Items

Inspection Service–controlled items (see [Exhibit 624.243](#)) that are identified for disposal must be reported to the local postal inspector in charge who will issue disposition instructions. In addition to following the procedures in 645.2, a locally approved PS Form 969, *Material Recycling and Disposal*, with the make/model and serial number of each security container (aka “safes”) must be submitted to an Asset Accountability Service Center for additional review and disposition guidance.

645.3 Mail Transport Equipment

The Area Distribution Networks organization must authorize disposal of all MTE items.

645.4 Motor Vehicles

See Handbook PO-701, *Fleet Management*.

646 Proprietary Items Requiring Special Processing**646.1 Accountable Paper**

Destruction procedures are outlined in Handbook F-48, *Bulk Requisitioning and MSC Accountable Paper Functions*.

646.2 Postage Meter Printing Heads**646.21 Authorization**

Postage meter printing heads purchased for use by Post Offices may be released from the assigned postmaster's equipment inventory accountability only with written authorization from the administrative services manager. The items must either be transferred to another Postal Service installation for further use or completely destroyed.

646.22 Destruction

After obtaining appropriate approvals, forward the unserviceable postage meter head and ring die/hub (by registered mail) to the maintenance manager at the appropriate Processing and Distribution center or facility for disposal action. Instructions for requesting approval and carrying out disposal are as follows:

- a. Before requesting disposal authorization, review instructions on repair and replacement to ensure that the item is not salvageable.

- b. If disposal is warranted, request approval by submitting PS Form 969 to the administrative services manager. A copy of the approved PS Form 969 should be submitted to the maintenance manager.
- c. Once equipment accountability has been clearly established (rental vs. Postal Service ownership) and approval has been obtained, send the machine to the maintenance manager, who will have it completely demolished. Demolition includes rendering the meter completely unusable. The indicia must either be pulverized or melted down. In addition, the meter head must be stripped of all usable parts before it is destroyed.
- d. A supervised destruction committee must be composed of supervisory personnel from Maintenance and Marketing.

646.3 **Imprinters**

646.31 **Postage Validation Imprinter**

No local disposal action is authorized. Inoperable PVIs must be sent to the maintenance manager for return to the Topeka MDC.

646.32 **Money Order Imprinters**

The Postal Service has a 5-year warranty on the Paymaster money order imprinters, item #08100. You should report unserviceable imprinters to Paymaster Corporation. The only disposal method for unserviceable money order imprinters is supervised destruction.

646.4 **Dead Letter Mail**

Consult the *Postal Operations Manual*.

646.5 **Post Office Boxes**

646.51 **Serviceable Items**

Serviceable units must initially be listed in the EIC. Post Office boxes determined to be surplus to Postal Service needs must be disposed of accordingly. Authorizations to return serviceable new-in-carton 2900 series units to the MDC must be obtained from Inventory Control.

646.52 **Unserviceable/Obsolete Items**

Units with combination type locks may be disposed of as complete units. Units with key type locks must have the keys and locks removed (punched out) before disposal or have the keys removed and locks rendered inoperable (drilled with a bit). Forward locks and keys to:

MAIL EQUIPMENT SHOP
2135 FIFTH ST NE
WASHINGTON DC 20260-6224

Telephone: 202-281-2620

It is not necessary to remove fronts from nesting when disposing of Post Office boxes.

646.53 Donations

Postal Service managers must not grant approval to donate Post Office box units or collection boxes in response to requests from federal or state agencies, academic institutions, nonprofit organizations, or a public body. All actions concerning the above items must be conducted in accordance with the procedures outlined in [646.126](#).

646.54 Sales

Large lot sales of Post Office box units will be conducted by districts using informal sales method or auction. Individual fronts or drawers, box/drawers, and small lots may be sold at any philatelic or other Postal Service retail outlet, provided keys and key type locks have been removed and sent to MES as explained in [646.52](#).

646.6 Retail Vending Equipment**646.61 Reporting**

Report all inactive retail vending equipment items to DMMS. Retail vending equipment items that are obsolete, are surplus, or have been listed as excess for a period of up to 6 months should be considered for disposal action. Supervised destruction is no longer the mandatory disposal method for retail vending equipment items. Disposition actions may consist of any of the eight methods listed in [646.11](#), Methods and Priority, or any other specific method directed by Self Service, Retail, Consumers, and Small Businesses.

646.62 Disposition

Self Service, Retail, Consumers, and Small Businesses, retain authority over disposition of all retail vending equipment items. Therefore, offices with inactive, obsolete, or surplus customer vending items that are being considered for disposal action must follow the directions provided in *Material Logistics Bulletin* (MLB) the Self Service, Vending Operations, mailing address is:

RETAIL SERVICE EQUIPMENT
US POSTAL SERVICE
475 L'ENFANT PLAZA SW RM 7670
WASHINGTON DC 20260-7670

646.7 Permanently Marked Material

Before any material permanently marked with the Postal Service indicia or words identifying the items as Postal Service material can be sold, transferred, or donated, the identifying markings must first be obliterated or removed.

646.8 Collection Boxes**646.81 Policy**

Collection boxes, including post type, street collection, and relay storage boxes must not be sold to the public. They must be destroyed by the owning Postal Service entity and sold as scrap. Collection boxes designated for sale as scrap must be recycled. Contact a USPS environmental specialist for information concerning federal, state, and local scrap metal recycling requirements. (See [646.1271](#).) Collection boxes, including post type, street collection, and relay storage boxes, must not be loaned to organizations or agencies, including federal agencies, except as provided in [646.82](#).

646.82 Loans

With approval from the manager of Public Affairs, Corporate Communications, surplus collection boxes may be loaned to a federal agency such as a museum, for exhibit purposes only. There is no requirement to change the color or remove the indicia, although the lock must be removed and an audit trail established and maintained until the item is returned. A written license agreement must also be executed to keep the use of the collection box under Postal Service control. The Postal Service must use PS Form 1590 signed by both parties and a signed license agreement acknowledging the Postal Service rights to monitor all collection box loans.

A loan of a collection box for use in a motion picture, on broadcast or cable television, and/or in advertising agencies is executed under a licensing agreement for a fee or no fee. Go to <http://www.usps.com/rightsandpermissions/> for an overview of the rights and permissions program and for more detailed information. Rights and Permissions, Chief Counsel, Corporate Law, must maintain a copy of the license agreement when a collection box is licensed by a third party for use in the entertainment industry or for any other purposes. All requests must be approved by the manager of Public Affairs, Corporate Communications.

646.9 Mail Processing Equipment

The district manager, In-Plant Support, reports mail processing equipment (e.g., facer cancelers, letter sorting machines, flat sorters, parcels/bundle sorters, etc.) identified as unserviceable, obsolete, or surplus, through the area manager, In-Plant Support, to the manager of Technology Acquisition Management, Engineering, Merrifield, VA. (Final disposal action must be coordinated through the MAO with the DMMS providing assistance as needed.)

646.10 Information Technology Equipment

Contact the supporting IT organization for proper reporting and disposal instructions for all IT equipment (e.g., computers, laptops, printers, digital copiers, fax machines, Blackberries, and cell phones).

646.11 Priority

When excess, surplus, or obsolete equipment, supplies, and repair parts cannot be redistributed or recycled, material values must be recovered by one of the methods listed below. The method selected must be in the best interest of the Postal Service. The following list is in the preferred order of priority and corresponds with disposal codes 1 through 8 on PS Form 969 (see [Exhibit 552.1c](#)):

- a. Trade-in.
- b. Sale by the Postal Service installation.
- c. Cannibalization for parts.
- d. Sale for recycling.
- e. Transfer to other federal agencies (including military).
- f. Donation to a state agency, public body, or nonprofit organization.
- g. Destruction and landfill disposal.
- h. Adjustments (loss, theft, and accidental damage or destruction).

646.12 Methods**646.121 Trade-in to Vendor**

Trade-in is considered the most practical and efficient means of disposal. Therefore, this method should be the first one considered for disposing of equipment. The requirement for prior approval does not apply to equipment disposed of by trade-in. The requesting office takes the following steps:

- a. Completes PS Form 969, *Material Recycling and Disposal* (except for consumable items).
- b. Cross-references order or contract number of purchased item.
- c. If capital or sensitive item, obtains the signature of installation head/designee and MAO when trade-in is completed.
- d. Files the vendor's receipt or applicable purchase order for the traded-in item with the originating office copy of PS Form 969.
- e. Distributes PS Form 969 according to steps listed on reverse of form.

646.122 Sale by Postal Service Installation**646.1221 General**

Material that cannot feasibly be traded in should be offered for sale when it appears that the value to be received would justify the sales effort. When material is disposed of by sale, either the informal method or formal bid method must be used.

646.1222 Restrictions on Sales to Postal Employees

The following restrictions apply to sales to postal employees:

- a. *Material.* Material may be purchased by postal employees, providing they are not connected in any way with declaring the material excess or approving it for sale. Any transactions involving the sale of postal material to postal employees must be in conjunction with public sales or auctions that have been advertised to the general public. It is imperative that the public does not perceive that postal employees

have exclusive or preferential access to purchasing Postal Service surplus material. Additionally, postal employees *are not prohibited* from purchasing any material offered for sale at a retail philatelic outlet, provided that the price is fixed at a uniform rate for all customers.

- b. *Postal Service Vehicles.* Vehicles may be purchased, provided the purchaser is not connected in any way with declaration of the vehicles as excess or surplus. Additionally, surplus vehicles will be offered to potential purchasers in the following priorities:
 - (1) *National Rural Letter Carriers.* Certain restrictions apply. See Handbook PO-701, *Fleet Management*.
 - (2) *General Public.* Certain restrictions apply. See Handbook PO-701 and the *Postal Operations Manual*.
 - (3) *Other Postal Employees (Including Motor Vehicle Service Drivers).* Excluded from this approval are all PCES and their immediate family resident in their households and all personnel connected with fleet purchases, management operations, and/or vehicle maintenance functions.

646.1223 **Informal Sales**

The informal negotiated method may be used if *each* individual item to be sold has an estimated fair market value of \$10,000 or less. Competition should be obtained and all sales should be conducted in the best interest of the Postal Service. Under this method, offers from the public may be obtained in writing, over the telephone, by fax, or in person, and the material is sold to the highest bidder. Informal sales are conducted in any of the following ways:

- a. *Sealed Bid.* Items to be sold by informal sealed bid should be displayed for a period of 5 days prior to the published bid opening date. Bids received should be sealed in an envelope and kept in a secure place. The bids are opened by the installation head or designee and one witness, and sale items are awarded to the highest bidder. The successful bidder is notified and requested to make payment and pickup within a specified period.
- b. *Negotiated Sales.* Negotiated sales may be used when small quantities of material need to be moved quickly due to time and space restrictions. Bids may be solicited by telephone or fax. Negotiated sales normally will not require advance notice.
- c. *Tag Sales.* When it is in the best interest of the Postal Service, material including Post Office door/drawer fronts may be sold at postal and warehouse facilities. Door/drawer fronts will be sold individually or in small lots at a predetermined fixed price. Collectibles, for which approval has been obtained from the Postal Service historian, may also be sold at these outlets. Sales must be advertised either by posters, mailouts, use of news media, or other methods.
- d. *Scrap Sales.* Material that has no operational value, or material that has been offered and not sold, may be sold as waste. Scrap sales should normally be the last method of sale consistent with the best interest of the Postal Service.

646.1224 **Formal Sales**

The formal sales method must be used when the estimated fair market value exceeds \$10,000 per item, or if the approving official directs its use. Under this method, offers from the public are solicited either as sealed bids or through an auction. It is imperative that adequate competition be obtained for all formal sales. All awards must be made in the best interest of the Postal Service. The DMMS will coordinate formal sales activity.

646.1225 **Procedures for Announcing and Conducting Sales**

Sales are announced and conducted as follows:

- a. *Public Notice.* Adequate public notice must be given for all sales, including auctions. Bidders lists should be maintained of all known interested bidders. (Exhibits relating to auctions are provided in Attachment B following this chapter.)
- b. *Informal Sales.* Competition should be obtained and all sales must be conducted in the best interest of the Postal Service. Keep the following considerations in mind:
 - (1) Negotiated sales normally will not require advance notice prior to actual sales.
 - (2) Informal sealed bid sales normally require 5 days' public notice. Post or mail a locally produced notice of GSA Optional Form 15, *Sale Government Property* (see [Exhibit 647.225b\(2\)](#)).
 - (3) Retail sales may be advertised by mailouts to areas close to the retail outlet, the placement of posters in nearby Post Offices, use of the news media, etc.
 - (4) Scrap sales normally will not require advance notice.
- c. *Formal Sales.* Formal sealed bid sales must be announced and conducted in accordance with the terms and conditions of the following forms or their computer-generated facsimiles:
 - (1) PS Form 7348, *Sale of USPS Personal Property — Bid and Award* (see [Exhibit 647.225c\(1\) \(p. 1\)](#)).
 - (2) PS Form 7348-A, *Sale of USPS Personal Property — General Sale Terms and Conditions* (see [Exhibit 647.225c\(2\)](#)).
 - (3) PS Form 7348-B, *Sale of USPS Personal Property — Item Bid Page* (see [Exhibit 647.225c\(3\)](#)).
- d. Adequate public notice must be given:
 - (1) Post a copy of PS Form 7348 in Post Office lobbies and public places. Also mail copies of the bid package to known interested parties. The postings and mailings must contain all terms and conditions of the sale.
 - (2) Sealed bids must be publicly opened at the time and place designated on Form 7348. Form 7348 or a computer-generated facsimile must be used as the award document.

- e. *Auctions.* Auctions may be conducted by the Postal Service or consigned to a second party (e.g., an auctioneer or broker who will also collect payment), whichever is in the best interest of the Postal Service. A “Sale” notice will be published by poster, flyer, or some form of news media, and mailed out to those on the bidders list, stating the general terms as well as any special or unusual sale conditions. On the day of the sale, the auctioneer will restate the conditions of the sale prior to beginning the auction. Material for which offers have been rejected or for which no bids were received may be offered again later in this sale, or sold as scrap.

646.1226 **Payment Procedure**

The following must be observed in connection with sales payments:

- a. *Collection of Sales Price.* Under both sealed bid procedure and postal-conducted auction procedure, the sales price must be collected prior to removal of the material from the sale site. Payment procedures at consignment auctions are determined by the contract between the Postal Service and the auctioneer.
- b. *Separation of Duties.* A determination of how best to handle payment arrangements must be made according to the following guidelines:
 - (1) When the sale site is immediately adjacent to a Post Office or station, have customers go directly to a designated window clerk.
 - (2) When the sale site is not adjacent to a station, arrange for a station to handle payments, or designate a window clerk to go to the sale site to accept payments.
 - (3) If an employee other than a window clerk must be used, the separation of duties in Handbook F-1, *Post Office Accounting Procedures*, Part 122, must be applied.
- c. *Form of Payment.* Payment may be by cash, check or money order made payable to the U.S. Postal Service, as directed in Handbook F-1, Part 311.
- d. *Documentation.* GSA Optional Form 16, *Sales Slip — Sale of Government Personal Property*, must be used in conjunction with PS Form 3544, *Post Office Receipt for Money*. Optional GSA Form 16 (see [Exhibit 647.226d](#)) is a four-part form similar to the cash sales slips used in over-the-counter retail sales. The form functions as an invoice, a cash receipt, a permanent accounting record, and a material release document; it may also be used to record over-the-phone quotations for informally negotiated sales. Completion of the form is largely self-explanatory; note that in the “Sale No.” block at the top right corner, the number from PS Form 969 must be inserted.
- e. *Sales Completion.* When payment is made, the window clerk (or other person designated to receive payment) must complete PS Form 3544, entering the item or lot number and the material description from Optional Form 16 (see [Exhibit 647.226d](#)). The original of PS Form 3544

and all four copies of Optional Form 16 are given to the buyer. The buyer presents those forms to the MAO (or other employee in charge of the sale), who signs Optional Form 16, gives the buyer the original of that form and of PS Form 3544, and releases the material.

646.1227 **Reporting Sale and Recording Revenue**

Sales must be reported and revenues duly recorded as follows:

- a. *Forms Distribution*
 - (1) The MAO distributes copies of Optional Form 16 as follows:
 - (a) *Copy 2, Yellow:* files with Accounting.
 - (b) *Copy 3, Blue:* files with the installation's copy of PS Form 969.
 - (c) *Copy 4, Pink:* submits to the DMMS.
 - (2) The window clerk distributes PS Form 3544 as follows:
 - (a) *Copy 2:* uses it to support an entry to an account identifier code (AIC) on PS Form 1412, Daily Financial Report.
 - (b) *Copy 3:* forwards to the MAO, who files it with the installation's copies of Optional Form 16 and PS Form 969.
- b. *Recording Revenue.* Before forwarding Copy 2 of Optional Form 16 to the accounting section, the MAO must insert an appropriate AIC number in the "Reimbursable Account Number" block. One of the following AICs must be used:
 - (1) AIC 149 — Funds collected from the sale of paper, plastic, and other recyclables such as: Aluminum, Batteries (Nonvehicle), Cardboard, Fluorescent Bulbs, Glass, Newsprint, Pallets, Printed Matter from Mail Recovery Center (Dead Letter Mail), Plastic, Rubber, Shrink Wrap, Twine, Waste Paper and other recyclables.
 - (2) AIC 151 — Sale of Unserviceable Motor Vehicle Parts, Tires, Cylinder Oil, and Refunds for Oil Drums and Other Containers.
 - (3) AIC 156 — Sale of Miscellaneous Equipment.
Note: Includes supplies, nonvehicle parts, and scrap metal.
 - (4) AIC 157 — Sale of Postal Antiques.
- c. *Auction Attachments.* An example of a letter or task order contract with the auctioneer detailing the services to be performed such as labor, advertising and method of payment to auctioneer (usually a percentage of gross sales, which provide incentive to increase potential sales).
Note: This may require solicitation as well.

646.123 **Cannibalization for Parts**

When material can no longer be used in its original configuration, it may be cannibalized. Cannibalizing refers to the removal of serviceable parts for use in the repair of other equipment, such as major mechanization. No Postal Service employee may appropriate for personal use any item that is to be destroyed.

646.124 Sale for Recycling**646.1241 Disposal**

If material has been cannibalized, it must be dismantled, disfigured, rendered unusable, and sold as scrap. For removal of other types of materials such as hazardous waste, paper, etc., contact the Environmental Compliance Specialist in your area or the Materials Service Center for information concerning recycling and waste reduction resources. Landfill disposal is the last resort for the U.S. Postal Service. All items or material designated for landfills must meet the regulatory guidelines established by the Environmental Protection Agency, State and local laws, and Postal Service regulation.

646.1242 Online Assistance

The United States Postal Service Environmental Management Policy, Headquarters has established an external web site that can be used by all postal entities to aid the decision making process concerning disposal, the USPS external Web Page is located at <http://postal.tteam.com>.

The Area Environmental Compliance Specialist should also be contacted and Handbook AS-550, *Recycling Guide*, and Handbook AS-552, *Waste Reduction Guide* will be followed.

Note: DMMSs and MSCs will be notified prior to implementing any disposal activity.

646.125 Transfers to Federal Agencies (Including Military)**646.1251 Federal Agencies**

Material may be transferred to other federal agencies with or without reimbursement, depending on whether the material has value to the Postal Service. The administrative services manager or the material service center must approve transfers of capital, sensitive, proprietary, or items requiring special approval. All other items may be transferred with the approval of the installation head/designee without cost to the Postal Service. The forms used to document such transfers are:

SF 122, *Transfer Order — Excess Personal Property* (see [Exhibit 647.251c](#))

SF 123, *Transfer Order — Surplus Personal Property* (see [Exhibit 647.251d](#))

646.1252 Military Organizations (APOs/FPOs)

When USPS capital items in use by APOs/FPOs have reached their fully depreciated value, the accountable postal organization will transfer them permanently to the holding military organization by completing PS Form 969.

646.126 Donation to a Federal or State Agency, an Academic Institution, a Nonprofit Organization, or a Public Body**646.1261 Policy**

The Postal Service defines a public body as any state, territory, or possession of the United States, any political subdivision thereof, the District of Columbia, the Commonwealth of Puerto Rico, or any American Indian tribe. Collection boxes and Post Office boxes that are designated surplus to Postal Service needs must not be donated to federal or state agencies, academic institutions, nonprofit organizations, or a public body, but shall be recycled or destroyed and scrapped. Surplus material that is unmarketable, excluding collection boxes and Post Office boxes, may be donated to state

agencies, academic institutions, nonprofit organizations, or a public body. Materials classified other than collection boxes that are designated surplus, nonsensitive, expendable, or obsolete are referenced in [646.1262](#) and may be dealt with accordingly.

646.1262 Authorization

The installation head or designee must authorize donations of nonsensitive, expendable, obsolete, or surplus material. Refer to [645](#) and [646](#) for specific disposal procedures relating to the donation of items categorized “proprietary” or “requiring special approval.” The manager of the MSC must authorize donations of capital or sensitive property.

646.1263 Procedure

The installation head must obtain a written request, signed by an officer of the qualifying agency, that includes the agency’s tax-exempt identification number and telephone number. Upon receipt of the written request, the installation head or designee will prepare and process PS Form 969 and attach the documentation to the form. The installation head or designee notifies the requesting agency that the material is ready for pickup or shipping. If any packing or shipping costs are incurred, the requesting agency must pay them. The installation head or designee must obtain a signature for receipt of the material (e.g., on the original written request).

646.1264 Donation to Foreign Government

Consideration may be given by the installation head or the assigned designee on a case-by-case basis to donate surplus equipment, other than collection boxes and Post Office boxes, to a foreign government. Requests for specific equipment will normally be received from International Postal Affairs. Approval to donate any equipment will be granted by the manager of Asset Management and Asset Management Performance & Accountability (AMPA). Surplus equipment located in the field will be processed for shipment through AMPA and the Asset Accountability Service Centers.

646.127 Destruction and Landfill Disposal

646.1271 Policy

Postal Service facilities, offices, departments, and entities must not use landfills to dispose of collection boxes. Postal Service entities that designate collection boxes for destruction must destroy by scrapping out the equipment followed by metal recycling. Methodologies used to process recyclables normally generate residual (waste) that cannot be sold, reprocessed, or reused. The processes noted above are the only authorized methods of destruction or disposal for collection boxes. The methods above comply with the Environmental Protection Agency, federal, state, and local environmental laws, and Postal Service regulations concerning the destruction, disposal, or recycling of metal objects.

646.1272 Procedure

A variety of federal and state requirements set standards for municipal landfills. Postal Service employees should use existing methods to collect and transfer materials to landfills. In accordance with Handbook AS-550, *Recycling Guide*, and Handbook AS 552, *Waste Reduction Guide*, each

facility should build a recycling team, conduct a waste stream assessment, select the best recycling methods, and understand and publicize to all employees the principles of collection, storage, and transfer.

646.1273 **Costs**

Reasonable removal costs that are within local purchasing authority may be incurred and should be charged to the account covering trash removal.

646.128 **Adjustments: Loss, Theft, and Accidental Damage or Destruction**

646.1281 **Loss and Theft**

Employees must report all lost or stolen material through their immediate supervisor or manager to the installation head. The installation head will determine whether the quantity and value of lost or stolen items also warrants submission of an explanatory memorandum to the local inspector in charge. For capital property, PS Form 969 (see [Exhibit 624.221d](#)) must be sent through channels, with a copy of the memorandum, to:

PROPERTY SECTION
INFORMATION SYSTEMS SERVICE CENTER
2700 CAMPUS DRIVE
SAN MATEO CA 94497-9471

Telephone: 866-974-2733

The form should be signed by the installation head and the material accountability officer.

646.1282 **Accidental Damage or Destruction**

If material is damaged to the point that it is unrepairable, it must be disposed of according to procedures outlined in this chapter. The installation head/designee and MAO should sign the PS Form 969.

Exhibit 624.221a

PS Form 7364, Serviceable Property Tag (Excess)

SERVICEABLE PROPERTY TAG (EXCESS)			
Postal Activity (Name, Address, ZIP Code) POSTMASTER US POSTAL SERVICE 555 SOUTH THIRD STREET MEMPHIS TN 38101-9998		PS Item No./NSN 124D	
		ID No. (Capital)	
		Property Code No.	
		Acquisition Cost \$259.00	
FEDSTRIP Address Code 1847TV	Finance No. 47-5664	Year of Acquisition 1993	
Condition Code (Circle Appropriate Designation)	New-1	Used-2	Date Reported Excess 8/15/94
	Wood	Steel	
Item Description (Include Serial and/or Model Numbers) Case and Table, Carrier, Adjustable Shelf, w/o Dividers		Number of Items 1	
		Control Officer H. McGovern	
		Tag Number c-249505	

PS Form 7364, APRIL 1989

1. REPORTING ACTIVITY

Exhibit 624.221b

PS Form 4707, Out of Order (tag)

 PS Form 4707, January 1991 U.S. POSTAL SERVICE OUT OF ORDER <i>(Defective or Inoperative Equipment)</i> <table style="width: 100%; border: none;"> <tr> <td style="border-bottom: 1px solid black; width: 60%;">Type of Machine or Equipment</td> <td style="border-bottom: 1px solid black; width: 40%;">Number</td> </tr> <tr> <td style="border-bottom: 1px solid black;">Office</td> <td style="border-bottom: 1px solid black;">Date</td> </tr> <tr> <td colspan="2" style="border-bottom: 1px solid black; height: 40px; vertical-align: top;">Description of Defect</td> </tr> <tr> <td colspan="2" style="border-bottom: 1px solid black; height: 40px; vertical-align: top;">Handling Instructions</td> </tr> <tr> <td colspan="2" style="border-bottom: 1px solid black; height: 20px; vertical-align: top;">Employee</td> </tr> </table> This equipment must be disconnected or property locked out if connected to a power source. <table style="width: 100%; border: none;"> <tr> <td style="border-bottom: 1px solid black; width: 60%;">Type of Machine or Equipment</td> <td style="border-bottom: 1px solid black; width: 40%;">Number</td> </tr> <tr> <td style="border-bottom: 1px solid black;">Office Date</td> <td style="border-bottom: 1px solid black;">Date</td> </tr> <tr> <td colspan="2" style="border-bottom: 1px solid black; height: 20px; vertical-align: top;">Employee</td> </tr> </table> Turn this stub into your supervisor. Affix tag to defective or inoperative article.	Type of Machine or Equipment	Number	Office	Date	Description of Defect		Handling Instructions		Employee		Type of Machine or Equipment	Number	Office Date	Date	Employee		 PS Form 4707, January 1991 <i>(Reverse)</i> DO NOT USE REMOVE FROM SERVICE IMMEDIATELY TYPE OF EQUIPMENT: _____ _____ LOCATION: _____ _____
Type of Machine or Equipment	Number																
Office	Date																
Description of Defect																	
Handling Instructions																	
Employee																	
Type of Machine or Equipment	Number																
Office Date	Date																
Employee																	

Exhibit 624.221c

Form 965, Salvage or Junk Tag

	Salvage or Junk Tag	
	Notice: Dispose of This Item as Soon as Possible	
	_____	_____
	<i>(Control Officer Signature)</i>	<i>(Date)</i>
PS Form 965 , April 1994		

Exhibit 624.221d (p. 1)

PS Form 969, Material Recycling and Disposal

 UNITED STATES POSTAL SERVICE[®]		Material Recycling and Disposal	
1. Requestor Name		2. Request for Title	
4. Installation (City, State, ZIP + 4 [®])		5. Finance No.	
6. Capital ID No.		7. PSN/NSN	
8. Description (Serial/model no., brand name, brief description of deficiencies)		9. Supervised Destruction Requested	
10. Disposal Code		11. Acquisition Year	
12. Quantity		13. Unit Cost	
14. Total Cost		15. Amount Received and AIC	
16. Undepreciated Balance (Capital)		17. Manager Finance, District Material Management Specialist, Designee Material Service Center, or Other Required Special Approval Signature	
18. Committee Member Signature and Title		Date	
19. Committee Member Signature and Title		Date	
20. Material Accountability Officer Signature		Date	
21. Installation Head/Designee Signature		Date	
Certification/Acknowledgment that material was disposed of by method indicated. (Completed for material — capital, sensitive, and expense.)		1 - TO ASC	

Prepare a separate PS Form 969 for each category: (Check appropriate box) ☐ Capital ☐ Noncapital

Disposal Codes and Methods. Enter one of the disposal codes shown at right (1 through 8) in block 10 below to indicate the method used to dispose of the material listed. Methods are listed in order of preference. Determine the necessary authorization and requirements for supervised destruction by consulting Handbook AS-701, *Material Management*.

Code and Method
 1—Trade-in
 2—Sale by the USPS installation
 3—Cannibalization for parts
 4—Sale for recycling
 5—Transfer to a federal agency or branch of the military
 6—Donation to a state agency, public body, etc.
 7—Destruction and/or disposal
 8—Adjustments (Loss, theft, accidental damage, etc.)

The district material management specialist or designee Material Service Center must approve of the disposal of capital or sensitive items BEFORE final disposal. Sensitive items are identified in HBK AS-701. Handbook AS-701 also identifies items requiring special approval by other offices.

Supervised Destruction Committee must witness the destruction of item(s) before final disposal if block 9 above is checked. At a minimum, the installation head/designee and the material accountability officer must comprise this committee.

PS Form 969, September 2004 (Page 1 of 2) (PSN 7530-02-000-7258)
 See the reverse side for instructions on completing and distributing this form.

Exhibit 624.221d (p. 2)

PS Form 969, Material Recycling and Disposal

Completion and Distribution Instructions for PS Form 969 (A separate PS Form 969 must be completed for all material: capital, sensitive, and expense.)	
Noncapital Material Instructions	
Capital Material Instructions	Noncapital Material Instructions
Blocks Instruction 1-5 Self explanatory. 6 Enter the 6-digit capital ID number. 7 Enter the national stock number (NSN) or Postal Service item number (PSIN). 8 Use the description on the inventory listing. 9 Determine the requirement for supervised destruction by consulting Handbook AS-701, <i>Material Management</i> . If required, check this box. 10 Indicate the applicable 1-digit disposal code as defined near the top of the form. 11 Enter the year of acquisition as listed on the inventory listing. If unknown, approximate. 12 Enter the number of items. 13 Enter each capital item on a separate line. 14 Enter the unit cost of each item. 15 Leave blank. 16 Record the dollar amount received if the item was sold or credit given if traded in. NOTE: PRIOR authorization for sale must be obtained from the Manager, Finance, or approved designee per HBK AS-701. Include the 3-digit AIC number (See HBK AS-701). 17 Enter the remaining depreciation (if known) or contact the district material management specialist. 17-21 Signatures as indicated.	Blocks Instruction 1-5 Self explanatory. 6 Leave blank. 7 Enter the national stock number. 8 Enter the description including serial/model numbers, brand name, etc. 9 Determine the requirement for supervised destruction by consulting Handbook AS-701. If required, check this box. 10 Indicate the applicable 1-digit disposal code as defined near the top of the form. 11 Enter the year of acquisition if known. If unknown, approximate. 12 Enter the number of items. 13 Enter the acquisition cost of each item. 14 Enter the extended cost for multiple items. 15 Record the dollar amount received if the item was sold or credit given if traded in. NOTE: PRIOR authorization for sale must be obtained from the Manager, Finance, or approved designee per HBK AS-701. Include the 3-digit AIC number (See HBK AS-701). 16 Leave blank. 17-21 Signatures as indicated.
Distribution Instructions 1. Requestor retains part 5, Originating Office Suspende, and forwards the remainder of the copies to the Manager, Finance, or other approving official, per Handbook AS-701. 2. Manager, Finance, or appropriate approving official will review and approve or disapprove any or all items on the form. At the approving official's discretion, concurrence of the appropriate budget coordinator will be sought. If disposal is approved, the appropriate approving official will retain part 4, Suspende File, and return the remaining copies to the originating office. 3. The material accountability officer at the requesting installation will: a. Take appropriate disposal action and obtain all required signatures. b. Discard part 5, Originating Office Suspende. c. Forward part 3, Notice of Completed Action, to the approving official. d. File part 2, Originating Office Final.	Distribution Instructions 1. Requestor retains part 5, Originating Office Suspende, and forwards the remainder of the copies to the manager, Finance, or other approving official, per Handbook AS-701. 2. Manager, Finance, or appropriate approving official will review and approve or disapprove any or all items on the form. At the approving official's discretion, concurrence of the appropriate budget coordinator will be sought. If disposal is approved, the approving official will retain part 4, Suspende File, and return the remaining copies to the originating office. 3. The material accountability officer at the requesting installation will: a. Take appropriate disposal action and obtain all required signatures. b. Discard part 1, To ASC, and part 5, Originating Office Suspende. c. Forward part 3, Notice of Completed Action, to the appropriate approving official. d. File part 2, Originating Office Final.

PS Form 969, September 2004 (Page 2 of 2) (PSN 7530-02-000-7258)

Exhibit 624.243

Special Approval for Inspection Service-Controlled Items**Special Approval for Inspection Service-Controlled Items**

The transfer and disposal of the following items, both serviceable and unserviceable, are controlled by the Inspection Service. Disposition instructions may be obtained by reporting by memorandum the item number, description, and quantity of excess/surplus items to the local postal inspector in charge. Security containers are to be entered into EIC and reported to the Inspection Service prior to any transfer or disposal action. Inspection Service-controlled locks are to be reported by memo.

Item No.	Description
293	Safe
294	Safe
295	Safe
296	Safe
297	Safe
298	Safe
299	Safe
091SP	Lock
0912B	Lock
0912C	Lock
0912D	Lock
0931A	Lock
0931AHR	Lock
0931AO	Lock
0931AHL	Lock
0931CYL	Lock
0931O	Lock
01239	Observation unit
01240	Observation unit
01240A	Observation unit replacement glass

Exhibit 633.211

PS Form 8180, Request for Return Authorization

[illegible]

Exhibit 633.213

PS Form 7433, Maintenance Reparable Tag

↓ REMOVE STUBS FROM BOTH ENDS OF ENVELOPE USE THUMB NOTCH TO PEEL OFF ENVELOPE FACE ↓  PENALTY FOR PRIVATE USE TO AVOID PAYMENT OF POSTAGE \$300 MATERIEL DISTRIBUTION CENTER UNITED STATES POSTAL SERVICE HWY 75 SW MONTARA PKWY TOPEKA KS 66624-9602 OFFICIAL BUSINESS FIRST CLASS MAIL CONTROLLED DOCUMENT – MAINTENANCE REPARABLE TAG ↑ REMOVE STUBS FROM BOTH ENDS OF ENVELOPE USE THUMB NOTCH TO PEEL OFF ENVELOPE FACE ↑	<table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 25%; text-align: center; vertical-align: top;">311</td> <td style="width: 25%; text-align: center; vertical-align: top;">NSN _____</td> <td style="width: 25%; text-align: center; vertical-align: top;">S/N _____</td> <td style="width: 25%; text-align: center; vertical-align: top;">FEDSTRIP _____</td> </tr> <tr> <td style="width: 25%; text-align: center; vertical-align: top;">NSN _____</td> <td style="width: 25%; text-align: center; vertical-align: top;">S/N _____</td> <td style="width: 25%; text-align: center; vertical-align: top;">FEDSTRIP _____</td> <td style="width: 25%; text-align: center; vertical-align: top;">CITY/STATE _____</td> </tr> </table>	311	NSN _____	S/N _____	FEDSTRIP _____	NSN _____	S/N _____	FEDSTRIP _____	CITY/STATE _____
311	NSN _____	S/N _____	FEDSTRIP _____						
NSN _____	S/N _____	FEDSTRIP _____	CITY/STATE _____						

Exhibit 633.512

PS Form 4783, Maintenance Control Supply Room Inventory Record

[illegible]

U.S. GPO: 1991-312-605/51464

PS Form 4783, November 1991

Exhibit 633.52

PS Form 1586, Supply Record (card)

[illegible]

PS Form 1586, November 1985

SUPPLY RECORD

☆ U.S.G.P.O.: 1980-242-531/92035

PS Form 7340, Shipping Instruction for Excess Property

PS Form 7340, October 1986

1 - SHIPPER'S COPY: Ship property, delete from tab list, and duplicate of PS Form 7391

Exhibit 633.545

PS Form 7340-A, Shipping Instructions for Excess Property – Vehicle

No.
035926

U.S. Postal Service

SHIPPING INSTRUCTIONS FOR EXCESS PROPERTY—VEHICLE

INSTRUCTIONS

Shipper: See Chapter 2, Fleet Management Handbook PO-701.

Reason for Transfer: 1=Growth (*New Route*), 2=Motorization (*New Service*), 3=Route Adjustment, 4=Change in Delivery (*Eliminate Vehicle Hire*), 5=Replaced Vehicle in Storage, and 6=Storage.

Reason for Storage: 1=Age, 2=Wrecked, 3=Uneconomical to repair, 4=Miles and 5=Other.

Reason for Replacement: 1=Replaced by new vehicle, 2=Replaced by contract vehicle, 3=Replaced by future procurement, and 4=Replacement not required.

Vehicle Condition: 1=Good, 2=Fair, 3=Poor and 4=Junk.

SHIPPER:

Consignee:

From Region _____
From Location Code _____
From Finance No. _____

To Region _____
To Location Code _____
To Finance No. _____

Vehicle Number _____

Reason for:
Transfer _____
Storage _____
Replacement _____

Replacement Vehicle _____

Vehicle Condition _____

Make/Model Change From _____ To _____

Prepared by _____

U.S. Postal Service (Division)

Division General Manager/Postmaster or Designee

Date Signed

Exhibit 633.63

PS Form 7370, Request for Funds Transfer

Page 1 of _____

**Request for Funds Transfer**

Date:

Our Ref:

**ACCOUNTING SERVICE CENTER
MINNEAPOLIS INFORMATION SERVICE CENTER
US POSTAL SERVICE
1 FEDERAL DRIVE
FT SNELLING MN 55111-9614**

(Fold here before placing form in a window envelope.)

Pursuant to Management Instruction AS-720-90-9, *Procedures for Transfers and Budgetary Adjustments of Expendable Equipment*, prepare a journal to debit Account Number 56840 and credit Account Number 56830 for the following amount(s) and finance number(s). For additional entries, use Form 7370-A, *Request for Funds Transfer (Continuation Sheet)*. Number pages sequentially, adding the name of your Division and the date on each attached 7370-A. Show grand total of all entries on Form 7370. Local reproduction of Forms 7370 and 7370-A is authorized.

Debit Account Number 56840		Credit Account Number 56830	
Finance Number	Amount	Finance Number	Amount
Grand total of all debits		Grand total of all credits	

Copies of Form 7381, *Requisition for Supplies, Services, or Equipment*, supporting the transaction(s) listed are on file in this office.

Signature of Manager, Support Services

PEN/Commercial Telephone Number with (Area Code)

()

Typed Name and Division

Mailing Address

PS Form 7370, August 1990

Entries may be continued on Form 7370-A

Exhibit 646.10

Release from Liability and Denial of Warranty for Sold or Donated Computer Equipment

The following equipment is being sold/donated by the U.S. Postal Service to

_____ (buyer/donee):

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

This equipment may contain toxic materials and, if so, may not be sent to a landfill (i.e., disposed of in the trash). Once the buyer or donee takes possession of this equipment, the buyer/donee is solely responsible for ensuring that the equipment is recycled or disposed of in accordance with all applicable local, state, and federal laws. Reselling this equipment does not release the buyer/donee of this responsibility unless a similar signed release is executed. The buyer/donee accepts the equipment as is. No warranty is provided or implied.

Buyer/Donee Signature _____

Printed Name _____

Title _____

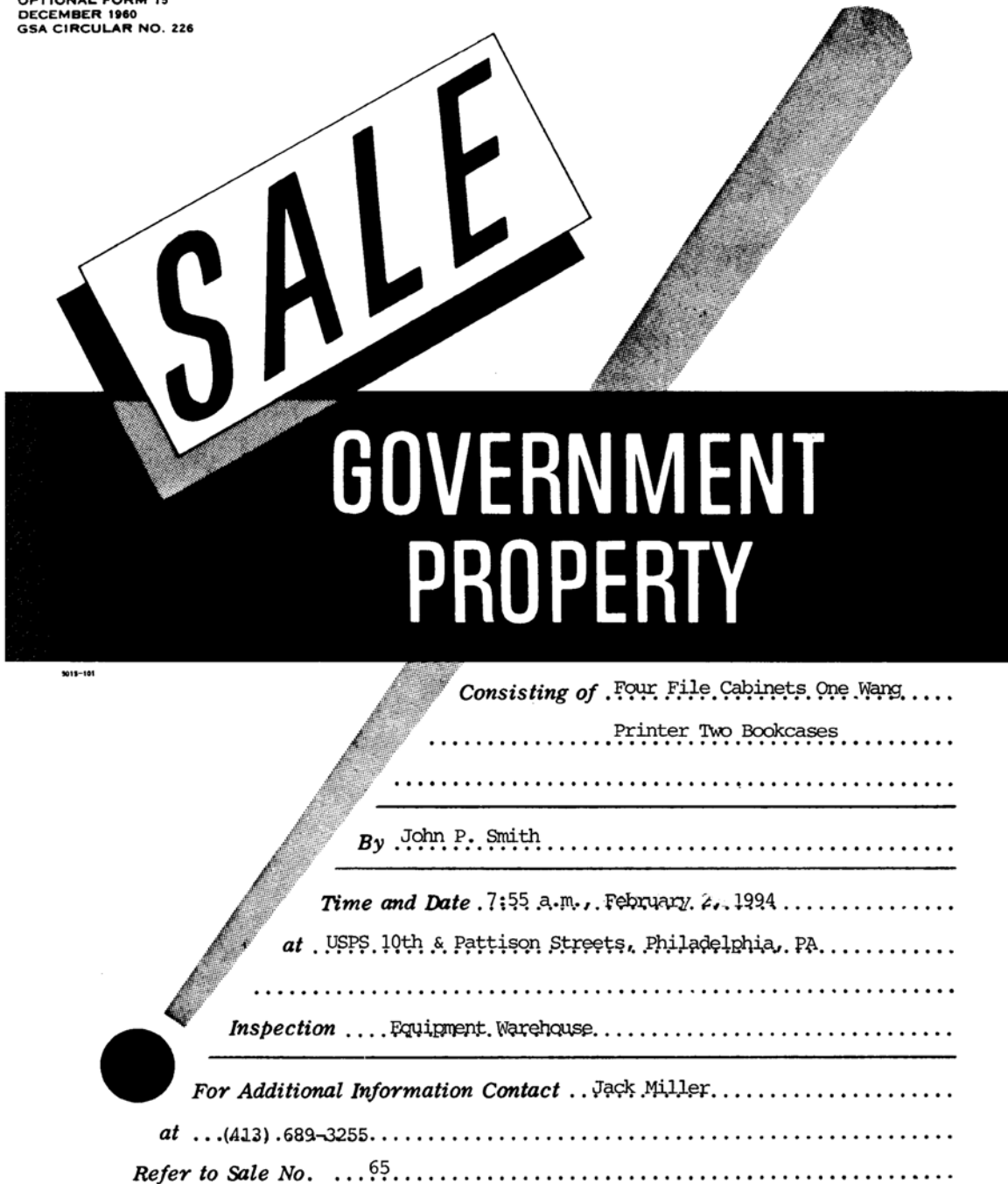
Address _____

Phone _____

Exhibit 647.225b(2)

GSA Optional Form 15, Sale Government Property

OPTIONAL FORM 15
DECEMBER 1960
GSA CIRCULAR NO. 226



SALE

**GOVERNMENT
PROPERTY**

Consisting of . Four File Cabinets One Wang
..... Printer Two Bookcases
.....

By . John P. Smith
.....

Time and Date . 7:55 a.m., February 2, 1994
at . USPS 10th & Pattison Streets, Philadelphia, PA
.....

Inspection Equipment Warehouse
.....

For Additional Information Contact .. Jack Miller
at ... (413) 689-3255
Refer to Sale No. 65

*U.S. Government Printing Office: 1992 — 3421-353

Exhibit 647.225c(1) (p. 1)

PS Form 7348, Sale of USPS Personal Property – Bid and Award

RETURN WITH BID		
U.S. POSTAL SERVICE SALE OF USPS PERSONAL PROPERTY – BID AND AWARD	INVITATION FOR BIDS NO.	PAGE NO.
ISSUED BY	ADDRESS YOUR BID TO	
FOR INFORMATION CONTACT (Name & Tel. No.)	BIDS WILL BE OPENED AT (Place, date and time)	
Sealed bids in _____ copy(ies) for purchasing any or all items listed on the accompanying schedule, will be received at the place designated above until the date and time specified above and at that time publicly opened, subject to: (1) The General Sale Terms and Conditions, PS Form 7348-A attached and made a part of this solicitation package and such other special terms and conditions, if required, attached and made a part of this solicitation and identified as _____. (2) BID DEPOSIT ☐ IS NOT REQUIRED: ☐ IS REQUIRED IN THE AMOUNT OF TWENTY PERCENT OF THE TOTAL BID. MADE PAYABLE TO: Disbursing Officer, U.S. Postal Service, (3) Bidder is required to pay for any or all of the items listed on the Item Bid page(s), Form 7348-B, as part of this Bid, at the price set opposite each item, within _____ calendar days after date of award, and to remove the property within _____ calendar days after date of award by the U.S. Postal Service. Property to be sold will be available for inspection on _____, between the hours of _____ AM and _____ PM, at _____.		
BID (This section to be completed by the Bidder)		
In compliance with the above, the undersigned offers and agrees, if this Bid is accepted within _____ calendar days (60 calendar days if no period is specified by the Postal Service or the Bidder, but not less than 10 calendar days in any case) after date of Bid opening, to pay for and remove the property. The total amount of the Bid(s) is \$ _____ and attached is the bid deposit, when required by the Invitation, in the form(s) of _____, in the amount of \$ _____.		
BIDDER REPRESENTS THAT: (Check appropriate boxes) (1) He/She ☐ has, ☐ has not, inspected the property on which he/she is bidding. (2) He/She ☐ is, ☐ is not, an ☐ individual or a ☐ small business concern. (See CFR, Title 13, Chapter 1 Part 121, Sec. 121.3-9, for the definition of small business.) (Complete the following only if the total amount of the bid(s) exceeds \$25,000.) (3) (a) He/She ☐ has, ☐ has not, employed or retained any company or person (other than a full-time, bona fide employee working solely for the Bidder) to solicit or secure this contract, and (b) he/she ☐ has, ☐ has not, paid or agreed to pay any company or person (other than a full-time bona fide employee working solely for the Bidder) any fee, commission, percentage or brokerage fee, contingent upon or resulting from the award of this contract; and agrees to furnish information relating to (a) and (b), above, as requested by the Contracting Officer. (For interpretation of the representation, including the term "bona fide employee," see Postal Contracting Manual 1-504.3.)		
NAME AND ADDRESS OF BIDDER (Street, Suite No., City, State and ZIP Code) (Type or print)	SIGNATURE OF PERSON AUTHORIZED TO SIGN THIS BID	
TELEPHONE NUMBER: BIDDER IDENTIFICATION NO. (If applicable):	NAME AND TITLE OF SIGNER (Type or print)	DATE OF BID
ACCEPTANCE BY THE U.S. POSTAL SERVICE (This section for USPS use ONLY)		
ACCEPTED AS TO ITEM(S) NUMBERED	SIGNATURE OF USPS CONTRACTING OFFICER	DATE OF ACCEPTANCE
TOTAL AMOUNT	NAME AND TITLE OF CONTRACTING OFFICER	
CONTRACT NUMBER(S)		

PS Form 7348
Jan. 1980

Exhibit 647.225c(1) (p. 2)

PS Form 7348, Sale of USPS Personal Property — Bid and Award**SOLICITATION INSTRUCTIONS AND CONDITIONS****1. BID DEPOSITS**

Where a bid deposit is required by the Invitation, all bids must be accompanied by such deposit in the amount of 20% of the total amount bid which must be in the possession of the Contracting Officer by the time set for bid opening. Bid deposits shall be in the form prescribed in clause No. 4 of Form 7348-A. Any bid which is not timely supported by an acceptable bid deposit may be rejected as non-responsive. Any bid deposit received after bid openings will be considered in the same manner as a late bid.

2. MODIFICATION OR WITHDRAWAL OF OFFERS

- (a) Offers may be modified by written or telegraphic notice received prior to the exact hour and date specified for receipt of offers.
- (b) Offers may be withdrawn by written or telegraphic notice or in person by an offeror or his authorized representative (provided his identity is made known and he signs a receipt for the offer), but only if received at the specified office.
 - (i) If this solicitation is advertised, prior to the exact hour and date specified for receipt of offers, or
 - (ii) If this solicitation is negotiated, prior to award.

3. LATE OFFERS, MODIFICATIONS, AND WITHDRAWALS

- (a) Offers and modifications of offers or withdrawals thereof received at the office designated in the solicitation after the exact hour and date specified for receipt will not be considered unless they are received before award is made and, except for withdrawals under negotiated solicitations, either:
 - (i) they were sent by registered or certified mail not later than the fifth calendar day prior to the date specified for receipt, or
 - (ii) they were sent by mail (or telegram if authorized), or delivered by other means to the precise depository prescribed in the solicitation, and it is determined by the head of the procuring activity that the late receipt was due solely to mishandling after receipt by the addressee postal facility.
- (b) The only acceptable evidence to establish —
 - (i) the date of mailing under (a)(i), above, is legible, original postmark supplied and affixed on the date of mailing by Postal Service employees on the offer wrapper or on the original receipt given therefore, or
 - (ii) the time of receipt under (a)(ii), above, is the time/date stamp of such facility on the offer wrapper or other contemporary, documentary evidence of receipt maintained by the facility.
- (c) Notwithstanding the above, a modification of an otherwise successful offer which makes its terms more favorable to the Postal Service will be considered at any time it is received and may be accepted.

(d) If this solicitation is negotiated, consideration also will be given to:

- (i) the only offer received.
- (ii) normal offer revisions, by offerors selected for discussion, received before the negotiation cut-off time established by the Contracting Officer, and
- (iii) offers and modifications of offers received before award when determined by the head of the procuring activity to contain an overriding cost or technical benefit to the Postal Service.

4. AWARD OF CONTRACT

Each item will be sold to the responsible, responsive bidder for that item whose bid is the highest bid received, unless, such bid would take unfair advantage of the Postal Service or other bidders. (See clause 3(b) of Form 7348-A) All awards will be made on line item basis.

A written award mailed (or otherwise furnished) to the successful Bidder within the time for acceptance provided in the Invitation shall be deemed to result in a binding contract without any further action by either party.

5. SALE OR USE TAX:

Any sale or use tax imposed by any State or political subdivision thereof will be paid directly by the Purchaser to said State of political subdivision thereof levying such tax.

6. EXPORT

The Invitation for Bids (IFB) does not constitute a guarantee that the property listed in the IFB is authorized for export from the United States. The property sold hereunder may not be exported from the United States without approval and required clearances from the appropriate governing and regulatory agencies concerned. It is the sole responsibility of the Purchaser to obtain clearances and approval for export of any property purchased hereunder.

7. DELIVERY, LOADING AND REMOVAL OF PROPERTY:

Unless otherwise provided in the Invitation, the Purchaser must make all arrangements necessary for packing, removal, and transportation of property and the Postal Service will not act as liaison in any fashion between the Purchaser and carrier nor will the Postal Service recommend a specific common carrier.

8. AWARD INFORMATION:

A written notice of award will be furnished each successful bidder. After the bids have been tabulated, bidders will be permitted to examine the abstract of bids or sale resume.

Exhibit 647.225c(2) (p. 1)

PS Form 7348-A, Sale of USPS Personal Property – General Sale Terms and Conditions

U.S. POSTAL SERVICE SALE OF USPS PERSONAL PROPERTY – GENERAL SALE TERMS AND CONDITIONS	INVITATION FOR BIDS NO.	PAGE NO.
1. INSPECTION. The Bidder is urged, to inspect the property prior to submitting a bid. Property will be available for inspection at the places and times specified in the Invitation. 2. CONDITION AND LOCATION OF PROPERTY. Unless otherwise specifically provided in the Invitation, all property listed is offered for sale "as is" and "where is." The description of the property is based on the best information available to the sales office. However, unless otherwise specifically provided in the Invitation, the USPS makes no warranty, express or implied, as to quantity, kind, character, quality, weight, size, or description of any of the property, or its fitness for any use or purpose and except as provided in Conditions No. 12 and 14 or other special conditions of the Invitation, no request for adjustment in price or for rescission of the sale will be considered. <i>This is not a sale by sample.</i> 3. CONSIDERATION OF BIDS. (a) Unless otherwise provided in the Invitation, telegraphic or telephonic bids will not be considered. (b) The Bidder agrees that his bid will not be withdrawn within the period of time specified for the acceptance thereof following the opening of bids (60 calendar days if no period be specified by the USPS or by the Bidder, but not less than 10 calendar days in any case) and that during such period his bid will remain firm and irrevocable. The USPS reserves the right to reject any or all bids, including bids under which a Bidder could take unfair advantage of the USPS or other Bidders, to waive any technical defects in bids, and unless otherwise specified by the USPS or by the Bidder, to accept any one item or group of items in the bid, as may be in the best interest of the USPS. Unless otherwise provided in the Invitation otherwise provides, a bid covering any listed item must be submitted on the basis of the unit specified for that item and must cover the total number of units designated for that item. 4. FORMS OF BID DEPOSITS AND PAYMENTS. Unless otherwise provided in the Invitation, bid deposits (when required by the Invitation) and payments shall be in U.S. currency or any form of credit instrument other than promissory note, made payable on demand in U.S. currency: <i>Provided</i>, That uncertified personal or business checks must be first party instruments: <i>Provided further</i>, That if in connection with any prior sale, the Bidder or Purchaser tendered an uncertified personal or business check which was not paid by the drawee for any reason and the Bidder, Purchaser, and the Drawer of the check were so notified in writing by the selling agency, uncertified personal or business checks will not be an acceptable form of bid deposit or payment. Bids submitted after the effective date specified in the written modification referred to which are not accompanied by the proper bid deposit (other than an uncertified personal or business check) will be summarily rejected. 5. BID PRICE DETERMINATION. When bids are solicited on a unit price basis, Bidders will insert their unit prices and total prices in the space provided for each item. (a) In the event the Bidder inserts a total price on the item but fails to insert a unit price, the USPS will determine the unit price by dividing the total price by the quantity of the item set out in the Invitation. The unit price so determined shall be used for the purpose of bid evaluation, award and all phases of contract administration. (b) When bids are solicited on a "lot" basis, Bidders should submit a single total price in the Total Price Bid column of the bid sheet. Bidders should not make any entry in the Unit Price Bid column. In the event a Bidder submits a total bid price and also a unit bid price which are not identical, the unit bid price will not be considered. 6. PAYMENT. The Purchaser agrees to pay for property awarded to him in accordance with the prices quoted in his bid. Subject to any adjustment made	pursuant to other provisions of this contract, payment of the full purchase price, after applying the total bid deposit, if any, must be made within the time specified in the Invitation and prior to delivery of any of the property. If an adjustment is made requiring additional payment, such payment must be made immediately upon notice of such adjustment. In the absence of any debts owed to the selling agency, where the total sum becoming due to the USPS from the Purchaser on a contract awarded to him under the Invitation is less than the total amount deposited with his bid, the difference will be promptly refunded and also, deposits accompanying bids which are not accepted will be promptly refunded to the Bidder. No refund or demands will be made for any amount less than one dollar (\$1). 7. TITLE. Unless otherwise provided in the Invitation, title to the property sold hereunder shall vest in the Purchaser as and when removal is effected. On all motor vehicles and motor-propelled or motor-drawn equipment requiring licensing by a State motor vehicle regulatory agency, a certificate of release, Standard Form 97 will be furnished for each vehicle and piece of equipment. 8. DELIVERY, LOADING, AND REMOVAL OF PROPERTY. (a) Unless otherwise provided in the Invitation, the Purchaser shall be entitled to obtain the property upon full payment therefor with delivery being made only from the exact place where the property is located within the installation. The Purchaser must make all arrangements necessary for packing, removal, and transportation of property. The USPS will not act as liaison in any fashion between the Purchaser and carrier, nor will the USPS recommend a specific common carrier. Loading will only be performed as set forth in the Invitation, and unless otherwise provided in the Invitation, loading will not be performed on Saturdays, Sundays, Federal holidays, or any day that the installation where the property is located is closed. Where it is provided that the USPS will load, the USPS will make the initial placement of the property on conveyance(s) furnished by the Purchaser and the initial placement on the Purchaser's conveyance shall be as determined by the USPS. Unless otherwise provided in the Invitation, the USPS will not block, chock, brace, lash, band, or in any other manner secure the cargo on such conveyance(s) furnished by the Purchaser. (b) Where it is provided in the Invitation that the USPS will not load or that the Purchaser will load, the Purchaser will make all arrangements and perform all work necessary to effect removal of the property. The Purchaser shall remove the property at his expense within the period of time allowed in the Invitation. If the Contracting Officer determines that the failure to remove the property within the period of time originally allowed arose out of causes beyond the control and without the fault or negligence of the Purchaser, such determination shall be reduced to writing, and a reasonable extension of time for removal shall be allowed. Such causes may include, but are not restricted to acts of God or of the public enemy, acts of the USPS in either its sovereign or contractual capacity, fires, floods, epidemics, quarantine restrictions, strikes, freight embargoes, and severe weather. If the Purchaser is permitted to remove the property after the expiration of the time originally allowed for removal or any additional time allowed by the Contracting Officer pursuant to this clause, the USPS without limiting any other rights which it may have, may require the Purchaser to pay a reasonable storage charge. The Purchaser shall reimburse the USPS for any damage to USPS property caused during the removal operations by the Purchaser or his authorized representative. (c) Items purchased under the Invitation will be released only to the Purchaser or his authorized representative. The authorized representative must furnish authorization from the Purchaser to the Custodian of the property at the property location before any delivery or release will be made. When property is described as being boxed, packed, crated, skidded, or in containers, the USPS does not warrant that the property, as packaged, is suitable for shipment. (d) Segregation, culling or selection of property for the purpose of effecting partial or increment removals will not be permitted except as specifically authorized and prescribed by the USPS.	

PS Form 7348-A
Jan. 1980

Exhibit 647.225c(2) (p. 2)

PS Form 7348-A, Sale of USPS Personal Property — General Sale Terms and Conditions**9. DEFAULT.**

If, after the award, the Purchaser breaches the contract by failure to make payment within the time allowed by the contract as required by Condition No. 6, or by failure to remove the property as required by Condition No. 8, then the USPS may send the Purchaser a 15-day written notice of default (calculated from date of mailing), and upon Purchaser's failure to cure such default within that period (or such further period as the Contracting Officer may allow), the Purchaser shall lose all right, title and interest which he might otherwise have acquired in and to such property as to which a default has occurred. The Purchaser agrees that in the event he fails to pay for the property or remove the same within the prescribed period(s) of time, the USPS at its election and upon notice of default shall be entitled to retain (or collect) as liquidated damages a sum equal to the greater of (a) 20% of the purchase price of the item(s) as to which the default has occurred, or (b) \$25, or the purchase price of such item(s) if the purchase price is less than \$25; *Provided*, That in the event of multiple awards of items under a single Invitation for Bids, the amount to be charged, if the minimum charge provided for in "b" above is applicable, shall be determined by the total purchase price reflected in the award documents; *Provided further*, That the maximum sum which may be recovered by the USPS as damages for failure of the Purchaser to pay for and remove the property shall be the formula amount. When the USPS exercises this election, it shall specifically apprise the Purchaser, either in its original notice of default (or in separate subsequent written notice), that upon the expiration of the period prescribed for curing the default, the formula amount will be retained (or collected) by the USPS as liquidated damages. However, if the property was sold on a "per lot" basis and the Purchaser removes a portion of the lot but fails to remove the balance, no portion of the purchase price will be refunded. If the Purchaser otherwise fails in the performance of his obligations, the USPS may exercise such rights and may pursue such remedies as are provided by law or under the contract.

10. SETOFF OF REFUNDS.

The Bidder or Purchaser agrees that the selling agency may use all or a portion of any bid deposit or refund due him to satisfy, in whole or in part, any debts arising out of prior transactions with the selling agency.

11. INTEREST.

Notwithstanding any other provision of this contract, unless paid within 30 calendar days from the date of first written demand, all amounts that become payable by the Purchaser to the USPS under this contract shall bear interest at the rate of six percent per annum from the date of first written demand until paid. Irrespective of the amount of the indebtedness, a minimum interest charge of five dollars (\$5) shall be due the USPS on any amount exceeding \$100 not paid within 30 calendar days from the date of first written demand. Interest on debts of \$100 or less will not be collected if such debts are liquidated without resort to litigation.

12. ADJUSTMENT FOR VARIATION IN QUANTITY OR WEIGHT

Except for term contracts, when property is sold by a unit other than "weight", the USPS reserves the right to vary the quantity rendered or delivered to the Purchaser by 10%; when the property is sold by "weight", the USPS reserves the right to vary the weight tendered or delivered to the Purchaser by 25%. The purchase price will be adjusted upwards or downwards in accordance with the unit price and on the basis of the quantity or weight actually delivered. Unless otherwise specifically provided in the Invitation, no adjustment for such variation will be made where property is sold on a "price for the lot" basis.

13. WEIGHING, SWITCHING, AND SPOTTING.

Where weighing is necessary to determine the exact purchase price, the Purchaser shall arrange for and pay all expenses of weighing the property (unless USPS scales are available on the premises). All switching and spotting charges shall be paid by the Purchaser. When removal is by truck, weighing shall be under the supervision of the USPS and at its option on: (a) USPS scales, (b) certified scales, or (c) other scales acceptable to both parties. When removal is by rail weighing shall be on railroad track scales, or by other means acceptable to the railroad for freight purposes.

14. RISK OF LOSS

Unless otherwise provided in the Invitation, the USPS will be responsible for the care and protection of the property subsequent to it being available for inspection and prior to its removal. Any loss, damage, or destruction occurring during such period will be adjusted by the Contracting Officer to the extent it was not caused directly or indirectly by the Purchaser, its agents, or employees. With respect to losses only, in the event the property is offered for sale by the "lot", no adjustment will be authorized under this provision unless the USPS is notified of the loss prior to removal from the installation of any portion of the lot with respect to which the loss is claimed.

15. LIMITATION ON USPS'S LIABILITY.

Except for reasonable packing, loading, and transportation costs, when a return of property at USPS cost is authorized, the measure of the USPS's liability in any case where liability of the USPS to the Purchaser has been established shall not exceed refund of such portion of the purchase price as the USPS may have received.

16. ORAL STATEMENTS AND MODIFICATIONS.

Any oral statement or representation by any representative of the USPS, changing or supplementing the Invitation or contract or any Condition thereof, is unauthorized and shall confer no right upon the Bidder or Purchaser.

17. COVENANT AGAINST CONTINGENT FEES.

Purchaser warrants that no person or agency has been employed or retained to solicit or secure this contract upon an agreement or understanding for a commission, percentage, brokerage, or contingent fee, excepting bona fide employees or bona fide established commercial agencies maintained by the Purchaser for the purpose of doing business. For breach of this warranty, the USPS shall have the right to annul this contract without liability or, at its option, to recover from the Purchaser the amount of such commission, percentage, brokerage, or contingent fee, in addition to the consideration herein set forth.

18. OFFICIALS NOT TO BENEFIT.

No member of or Delegate to Congress or Resident Commissioner shall be admitted to any share or part of this contract or to any benefit that may arise therefrom, unless it be made with a corporation for its general benefit.

19. CLAIMS AND DISPUTES (MARCH 1979)

(a) Any claim relating to this contract shall be resolved in accordance with the Contract Disputes Act of 1978 (41 USC 601, et seq.).

(b) On request, the Contracting Officer promptly shall furnish the Contractor a copy of the regulations and procedures applicable to the resolution of claims relating to this contract.

(c) Any claim by the Contractor against the Postal Service relating to this contract shall be in writing and shall be submitted to the Contracting Officer for a decision. For any claim of more than \$50,000, the Contractor shall certify that the claim is made in good faith, that the supporting data are accurate and complete to the best of his knowledge and belief, and that the amount requested accurately reflects the contract adjustment for which the Contractor believes the Postal Service is liable.

(d) Any claim which is not disposed of by agreement shall be decided by the Contracting Officer, who shall issue his decision in writing and shall mail or otherwise furnish a copy of the decision to the Contractor. The Contracting Officer's decision on the claim shall be final and conclusive and not subject to review by any forum, tribunal, or Government agency unless:

(i) within 90 days from the date of receipt of the Contracting Officer's final decision the Contractor appeals such decision to the Board of Contract Appeals in accordance with the Contract Disputes Act of 1978, or

(ii) within 12 months of the date of the receipt by the Contractor of the final decision of the Contracting Officer concerning the claim, the Contractor brings an action directly on the claim in the United States Court of Claims.

Exhibit 647.225c(2) (p. 3)

PS Form 7348-A, Sale of USPS Personal Property — General Sale Terms and Conditions

(e) Pending final resolution of an appeal or action, or final settlement, the Contractor shall proceed diligently with performance of the contract in accordance with any decision of the Contracting Officer.

20. CERTIFICATION OF INDEPENDENT PRICE DETERMINATION.

(a) By submission of this bid or proposal, the Bidder or Offeror certifies, and in the case of a joint bid or proposal each party thereto certifies as to its own organization, that in connection with this sale: (1) the prices in this bid or proposal have been arrived at independently, without consultation, communication, or agreement, for the purpose of restricting competition, as to any matter relating to such prices, with any other bidder or offeror or with any competitor; (2) unless otherwise required by law, the prices which have been quoted in this bid or proposal have not been knowingly disclosed by the Bidder or Offeror and will not knowingly be disclosed by the Bidder or Offeror prior to opening, in the case of a bid, or prior to award, in the case of a proposal, directly or indirectly to any other bidder or offeror or to any competitor; and (3) no attempt has been made or will be made by the Bidder or Offeror to induce any other person or firm to submit or not to submit a bid or proposal for the purpose of restricting competition.

(b) Each person signing this bid or proposal certifies that: (1) he is the person in the Bidder's or Offeror's organization responsible within that organization for the decision as to the prices being bid or offered therein and that he has not participated, and will not participate, in any action contrary to (a)(1) through (a)(3), above; or (2)(i) he is not the person in the Bidder's or Offeror's organization responsible within that organization for the decision as to the prices being bid or offered herein but that he has been authorized in writing to act as agent for the persons responsible for such decision in certifying that such persons have not participated, and will not participate, in any action contrary to (a)(1) through (a)(3), above, and as their agent does hereby so certify; and (ii) he has not participated, and will not participate, in any action contrary to (a)(1) through (a)(3), above.

(c) This certification is not applicable to a foreign Bidder or Offeror submitting a bid or proposal for a contract which requires performance or delivery outside the United States, its possessions, and Puerto Rico.

(d) A bid or proposal will not be considered for award where (a)(1), (a)(3), or (b), above, has been deleted or modified. Where (a)(2), above, has been deleted or modified, the bid or proposal will not be considered for award unless the Bidder or Offeror furnishes with the bid or proposal a signed statement which sets forth in detail the circumstances of the disclosure and the head of the selling agency, or his designee, determines that such disclosure was not made for the purpose of restricting competition.

21. ASSIGNMENT OF CONTRACT AND CLAIMS.

(a) Except as otherwise provided below, neither this contract nor any interest in or claims for monies due or to become due under this contract, may be transferred or assigned by the Contractor to any other party.

(b) If this contract provides for payment aggregating \$1,000 or more, claims for monies due or to become due the Contractor from the Postal Service under this contract may be assigned to a bank, trust company, or other financing institution, including any Federal lending agency, and may thereafter be further assigned and reassigned to any such institution.

Any such assignment or reassignment shall cover all amounts payable under this contract and not already paid, and shall not be made to more than one party except that any such assignment or reassignment may be made to one party as agent or trustee for two or more parties participating in such financing. No assignment or reassignment will be recognized as valid and binding upon the Postal Service unless a written notice of the assignment or reassignment, together with a true copy of the instrument of assignment, is filed with (1) the Contracting Officer, (2) the surety or sureties upon the bond or bonds, if any, in connection with this contract; and (3) the disbursing officer, if any, designated in this contract to make payment, and the Contracting Officer has acknowledged the assignment in writing.

(c) The Postal Service may at its discretion recognize a transfer of this contract incidental to the transfer of all of the Contractor's assets or all that part of the Contractor's assets involved in the performance of this contract.

(d) Assignment of this contract or any interest or claims for monies due or to become due under this contract other than in accordance with the provisions of this clause shall be grounds for annulment of this contract at the option of the Postal Service. The rights and remedies of the Postal Service under this clause are not exclusive and shall be in addition to any other rights and remedies provided at law or under this contract.

22. INDEMNIFICATION.

The Bidder or Purchaser agrees to save the USPS harmless from any and all claims, demands, actions, debts, liabilities, judgments, costs and attorneys' fees arising out of, claimed on account of, or in any manner predicated upon loss of or damage to property of and injuries to or the death of any and all persons whatsoever, in any manner caused or contributed to by the Bidder or Purchaser, its agents, servants or employees, while in, upon or about the sale or the property site on which the property sold or offered for sale is located or while going to or departing from such areas; and to save the USPS harmless from and on account of damages of any kind which the USPS may suffer as the result of the acts of the Bidder or Purchaser, its agents, servants, or employees while in or about the said sites.

23. WITHDRAWAL OF PROPERTY AFTER AWARD.

The USPS reserves the right to withdraw for its use any or all of the property covered by this contract, if a bona fide requirement for the property develops or exists prior to actual removal of the property from USPS control. In the event of a withdrawal under this condition, the USPS shall be liable only for the refund of the contract price of the withdrawn property or such portion of the contract price as it may have received.

24. ELIGIBILITY OF BIDDERS.

The Bidder warrants that he is not: (a) under 21 years of age; (b) an employee of the USPS prohibited by the regulations of the USPS from purchasing property sold hereunder; (c) an agent or immediate member of the household of the employee in (b), above. For breach of this warranty, the USPS shall have the right to annul this contract without liability.

PS Form 7348-B, Sale of USPS Personal Property – Item Bid Page

[illegible]

Exhibit 647.226d

GSA Optional Form 16, Sales Slip — Sale of Government Personal Property

SALES SLIP		No.2022223	
SALE OF GOVERNMENT PERSONAL PROPERTY			
SELLING AGENCY		DATE OF SALE	
US Postal Service, Richmond, VA		1-94	
BUYER'S NAME AND ADDRESS		SALE NO.	
John Q. Public 42 Park Avenue Richmond, VA		REGISTRATION NO. (If any)	
ALL PROPERTY LISTED BELOW MUST BE PAID FOR IN FULL AND REMOVED BY		DATE 2/2/94	
ITEM OR LOT NO.	DESCRIPTION	PRICE	
32	Locker w/o Door	13.02	
33	Workshop Cabinet	14.14	
34	Lobby Desk	14.29	
35	Lobby Desk	15.39	
REIMBURSABLE ACCOUNT NO. (If any) 156		TOTAL AMOUNT	56.74
PAYMENT RECEIVED FOR GOVT	BY (Signature) Mary Jones	PAID ON DATE OF SALE	56.74
	BY (Signature and date)	BALANCE DUE	0
NOTICE TO BUYER This copy is to be retained by the buyer. When full payment is made, this copy will be so marked. An additional copy will be issued to the property custodian authorizing release of the property. Sign the release copy when the property is received. Please note the deadline date for final payment and removal of property indicated above. This sales slip is accepted subject to the General Sale Terms and Conditions of SF 114-C, a copy of which is on file and will be made available upon request.			
1. BUYER'S COPY		5016-101	OPTIONAL FORM 16 DECEMBER 1960 (GSA Circular No. 226)

Exhibit 647.251a

SF 120, Report of Excess Personal Property

STANDARD FORM 120 REV. APRIL 1957 GEN. SERV. ADMIN. FPMR (41 CFR) 101-43.311		REPORT OF EXCESS PERSONAL PROPERTY		1. REPORT NO.		2. DATE MAILED		3. TOTAL COST \$		PAGE 1 OF _____	
4. TYPE OF REPORT (Check one only of "a," "b," "c," or "d")		a. ORIGINAL b. CORRECTED		c. PARTIAL W/D d. TOTAL W/D		(Also check "e" and/or "f" if appropriate)		e. OVERSEAS f. CONTRACTORS INV			
5. TO (Name and Address of Agency to which report is made) THRU						6. APPROP. OR FUND TO BE REIMBURSED (if any)					
7. FROM (Name and Address of Reporting Agency)						8. REPORT APPROVED BY (Name and Title)					
9. FOR FURTHER INFORMATION CONTACT (Title, Address and Telephone No.)						10. AGENCY APPROVAL (if applicable)					
11. SEND PURCHASE ORDERS OR DISPOSAL INSTRUCTIONS TO (Title, Address and Telephone No.)						12. GSA CONTROL NO.					
13. FSC GROUP NO.		14. LOCATION OF PROPERTY (If location is to be abandoned give date)			15. REIM/REQD YES NO		16. AGENCY CONTROL NO.		17. SURPLUS RELEASE DATE		
18. EXCESS PROPERTY LIST				COND.	UNIT	NUMBER OF UNITS	ACQUISITION COST		FAIR VALUE %		
ITEM NO. (a)	DESCRIPTION (b)			(c)	(d)	(e)	PER UNIT (f)	TOTAL (g)	(h)		

STANDARD FORM 120 REV. (Use Standard Form 120A for Continuation Sheets)
APRIL 1957 EDITION NSN 7540-00-634-4074

120-105

PREVIOUS EDITION USABLE

Exhibit 647.251b

SF 120-A, Report of Excess Personal Property (Continuation Sheet)

STANDARD FORM 120-A APRIL 1957 GEN. SERV. ADMIN. FPMR (41CFR) 101-43.311			CONTINUATION SHEET <i>(Report of Excess Personal Property)</i>			PAGE _____		
FROM (Name and Address of Reporting Agency)			REPORT NO.		AGENCY CONTROL NO.			
EXCESS PROPERTY LIST <i>(Continued)</i>			COND.	UNIT	NUMBER OF UNITS	ACQUISITION COST		FAIR VALUE %
ITEM NO. (a)	DESCRIPTION (b)	(c)	(d)	(e)	PER UNIT (f)	TOTAL (g)	(h)	

STANDARD FORM 120A
 APRIL 1957 EDITION

120-204

Exhibit 647.251c

SF 122, Transfer Order – Excess Personal Property

STANDARD FORM 122 JUNE 1974 GENERAL SERVICES ADMINISTRATION FPMR (41 CFR) 101-32.306 FPMR (41 CFR) 101-43.315		TRANSFER ORDER EXCESS PERSONAL PROPERTY			1. ORDER NO. 2. DATE	
3. TO: GENERAL SERVICES ADMINISTRATION*				4. ORDERING AGENCY (Full name and address)*		
5. HOLDING AGENCY (Name and address)*				6. SHIP TO (Consignee and destination)*		
7. LOCATION OF PROPERTY				8. SHIPPING INSTRUCTIONS		
9. ORDERING AGENCY APPROVAL A. SIGNATURE B. DATE				10. APPROPRIATION SYMBOL AND TITLE		
C. TITLE				11. ALLOTMENT		12. GOVERNMENT B/L NO.
13. PROPERTY ORDERED						
GSA AND HOLDING AGENCY NOS. (a)	ITEM NO. (b)	DESCRIPTION (Include noun name, FSC Group and Class, Condition Code and, if available, National Stock Number) (c)	UNIT (d)	QUANTITY (e)	ACQUISITION COST	
					UNIT (f)	TOTAL (g)
14. GSA APPROVAL		A. SIGNATURE		B. TITLE		C. DATE
FOR GSA USE ONLY	AGENCY AND LOCATION		FSC	CONDITION	SOURCE CODE	
	AGENCY	STATE				

*Include ZIP Code

122-110

Exhibit 647.251d

SF 123, Transfer Order — Surplus Personal Property

TRANSFER ORDER SURPLUS PERSONAL PROPERTY		1. ORDER NUMBER(S) a. _____ b. _____		FORM APPROVED OMB NUMBER 3090-0014		PAGE 1 OF _____ PAGES	
2. TYPE OF ORDER ☐ STATE AGENCY ☐ DOD(SEA) ☐ FAA		3. SURPLUS RELEASE DATE		4. SET ASIDE DATE		5. ☐ NON-REPORTABLE ☐ REPORTABLE	
7. TO: GENERAL SERVICES ADMINISTRATION (FPRS) *				8. LOCATION OF PROPERTY			
9. HOLDING AGENCY (Name and address) *				10. FOR GSA USE ONLY			
				SOURCE CODE ☐ STATE ☐ ☐ CITY ☐ ☐ ☐ ☐ TYPE OF DONATION ☐ ☐ ADJUSTED ALLOCATION CODE ☐ ☐			
11. PICKUP OR SHIPPING INSTRUCTIONS *							
12. SURPLUS PROPERTY LIST							
L/I NO. (a)	IDENTIFICATION NUMBER(S) (b)	DESCRIPTION (c)	DEMIL. CODE (d)	COND. CODE (e)	QUANTITY AND UNIT (f)	ACQUISITION COST	
						UNIT (g)	TOTAL (h)
13. TRANSFEREE ACTION Transferee certifies and agrees that transfers and donations are made in accordance with 41 CFR 101-44, and to the terms, conditions, and assurances as specified on this document.		a. TRANSFEREE (Name and address of State Agency, SEA, or public airport) *		b. SIGNATURE AND TITLE OF STATE AGENCY OR DONEE REPRESENTATIVE		c. DATE	
				d. SIGNATURE OF HEAD OF THE SEA (School or National Headquarters)		e. DATE	
14. ADMINISTRATIVE ACTION I certify that the administrative actions pertinent to this order are in accordance with 41 CFR 101-44 and as specified on this document have been and are being taken.		a. DETERMINING OFFICER (DOD or FAA) *		b. SIGNATURE OF DETERMINING OFFICER		c. DATE	
		d. GSA APPROVING OFFICER		e. SIGNATURE OF APPROVING OFFICER		f. DATE	
* Please include "ZIP Codes" in all address blocks. NSN 7540-00-965-2415 Previous Editions not usable 123-107 STANDARD FORM 123 (REV. 6-82) Prescribed by GSA FPMR (41 CFR) 101-44.110							

Appendix A

Acronyms

ACPL	Annual Capital Property Listing
AD	Average Demand
ADM	Accounting Data Mart
AIC	Account Identifier Code
AMC	Air Mail Center
AMD	Average Monthly Demand
AMF	Air Mail Facility
AMMS	Area Material Management Specialist
AS-701	Designation for <i>Material Management</i> Handbook
ASC	Accounting Service Center
ASM	Administrative Support Manual
BOH	Balance on Hand
BPA	Basic Pricing Agreement
BPQ	Bulk Pack Quantity
CAG	Cost Ascertainment Group
CAGE	Commercial and Government Entity code
CBU	Cluster Box Unit
CMC	Commodity Management Center
CPL	Capital Property Listing
CSC	Customer Supply Center
CSS	Customer Service and Sales
DBCR	Delivery Bar Code Reader
DLA	Defense Logistics Agency
DMM	Domestic Mail Manual
DMMS	District Material Management Specialist
DNO	Distribution Networks Office
DR	Delivery Receipt
DRC	Discrepancy Report Center
eAccess	Web site for requesting access to various Postal Service systems
EAS	Executive and Administrative Service
eBuy	Postal Service Web-based purchasing system
EDW	Electronic Data Warehouse
EIC	Excess Items Catalog (resident on eBuy)
eMARS	Electronic Maintenance Activity Reporting & Scheduling system (replaced VMARS)

FAAC	Federal Activity Address Code
FEDSTRIP	Federal Standard Requisitioning and Issue Procedures
FI	Freight Invoice
FIFO	First In First Out
FM	Freight Manifest
FOB	Free on Board
FTMS	Freight Transportation Management System (resident on eBay)
FVC	Full Vehicle Capacity
FY	Fiscal Year
GBL	Government Bill of Lading (replaced by PSBL)
GSA	General Services Administration
HCR	Highway Contract Route
IAR	Inventory Accuracy Rate
IRT	Integrated Retail Terminal
ISSC	Information Systems Service Center
LAR	Location Accuracy Rate
LCMP	Life Cycle Management Plan
LSN	Local Stock Number
LTL	Less Than Truckload
MAA	Material Accountability Assistant
MAO	Material Accountability Officer
MDC	Material Distribution Center
MDIMS	Material Distribution Inventory Management System
MES	Mail Equipment Shops
MILCRL	Master Item to Location Cross-Reference List
MISP	Maintenance Inventory Support Process
MLB	Material Logistics Bulletin
MRA	Material Return Authorization
MRC	Mail Recovery Center
MRP	Material Returns Program
MSC	Material Service Center
MSRF	Maintenance Support and Repair Facility
MTE	Mail Transport Equipment
NMFC	National Motor Freight Classification
NMHV	Nonmail-Hauling Vehicle
NRFI	Not Ready for Issue
NSN	National Stock Number
OEM	Original Equipment Manufacturer
OL	Operating Level
OS&D	Overage, Shortage, and Damage
OSHA	Occupational Safety and Health Administration
PEAS	Property & Equipment Accounting System
PCES	Postal Career Executive Service

PCFM	Property Change for Month
PCN	Property Code Number
PD	Pipeline Days
P&D	Processing and Distribution
PLD	Pipeline Delay in Days
POS	One Point of Service terminals
PPAS	Personal Property Accounting System
PSBL	Postal Service Bill of Lading (replaced GBLs)
PSC	Purchasing Service Center
PSIN	Postal Service Item Number
PSN	Postal Stock Number
PVI	Postal Validation Imprinter
QA	Quality Assurance
RA	Return Authorization
RADI	Return Authorization Due In
RAM	Reutilization of Assets & Materials
RFI	Ready For Issue
RO	Requisitioning Objective
ROP	Reorder Point
RQ	Replenishment Quantity
SAP	Stockroom Anti-pilferage Principle
SO	Shipping Order
SOP	Standard Operating Procedure
SR/BS	Stockroom/Benchstock
TCO	Total Cost of Ownership
TL	Truckload
TSP	Transportation Service Providers (FTMS carrier)
VA	Department of Veterans Affairs
VMAS	Vehicle Maintenance Accounting System
VMF	Vehicle Maintenance Facility

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Appendix B

Glossary

A-code repairables. Repairable authorized for stocking at a local facility.

ABC analysis. An inventory management technique that studies dollar value, demand history, lead time, and other factors for all inventory items so as to rank the items in terms of relative importance (A items being most important; C least important) and thereby determine the relative degree of management attention that each warrants.

ABC classification. Class (A, B, or C) assigned to an inventory item via ABC analysis.

Acceptance. On the part of the Postal Service, acceptance means receipt and retention of the goods delivered or services rendered by a contractor, following inspection to ensure conformance with contract specifications; on the part of a supplier, acceptance means receipt of and consent to the Postal Service's offer to buy (e.g., purchase order, delivery order, etc.).

Accessorial charge. Charge by a carrier for rendering service in addition to line-haul, such as sorting, packing, cooling, heating, switching, diverting, or consigning.

Accountability. Responsibility for the record keeping, physical inventorying, financial reporting, safeguarding, and other controls necessary for optimal maintenance, use, and disposal of Postal Service property.

Accounting Data Mart (ADM). A Web-based Postal Service application used to pull various financial reports (part of the Electronic Data Warehouse).

Accuracy. Degree of freedom from error or the degree of conformity to some standard.

Acquisition. A term that refers to the process of obtaining the goods and services necessary to support Postal Service operations. Goods and services may be acquired from internal supply sources [Material Distribution Center (MDC) and the Mail Equipment Shops (MES)]; established government stock programs (General Services Administration, Department of Defense, and Veterans Affairs), or from Federal Supply Schedule contractors and other commercial sources through eBuy.

Acquisition cost. The cost to obtain an item, including transportation cost; or the dollar value of an item within the Postal Service material management system.

Acquisition year. See year of acquisition.

Addition. Capital item on hand but not shown on the inventory worksheet.

Adjustment. Generally, any addition, deletion, and other adjustment that must be processed in order to reconcile actual counts arrived at through

physical inventorying with records maintained by the San Mateo ASC or the local activity; or, specifically, action taken that neither adds nor deletes property from an installation's accountability; taken to correct information in the San Mateo ASC Property & Equipment Accounting System (PEAS) records.

Administrative adjustment. Corrections of administrative errors in the records—correction of PCN or ID number, correction of number of units, reallocation of cost, and so forth.

Administrative lead time. The time interval (measured in calendar days) from receipt of item requisition to the date when an order is placed or a contract is awarded for the item.

Air bill/Air bill of lading. The basic airline document covering the movement of international and domestic air freight shipments. It accompanies every air shipment providing information needed for the dispatch and proper handling of the freight.

Air freight forwarder. Classified as a transportation carrier, the freight forwarder assembles and consolidates small shipments into larger shipments.

Aisle. Any passageway within a storage area.

Allocate. To distribute, assign, or allot material in limited supply.

Allocated ordering quantity. Maximum order quantities for MDC items authorized by the proponent office and available to different Postal Service facilities. The limits on these order quantities are based on the cost ascertainment grouping (CAG) of the facility.

Antiques. Unique or commercial relic or object, owned by the Postal Service, which is at least 100 years old.

Apparent damage. Damage that is visible at the time of delivery.

Approval authority. Authority to indicate by signature approval to purchase an item.

Approved item name. Standard, centrally assigned and used name for describing an item of supply or equipment in a catalog.

Artwork. Painting, sculptures, murals, drawing, mobiles, engravings, etchings, etc., of more than ordinary significance, owned by the Postal Service and lent out to a museum or library. Artwork may be any age.

Asset key. PEAS terminology for PCN.

Asset number. PEAS terminology for capital ID number.

Asset position. The asset position is the sum of the quantities on hand and on order, less backorders, for an item regularly ordered and maintained in inventory.

Asset recovery. Refers to reclaiming or restoring items that are no longer required or no longer functional for their original purpose to some degree of usefulness.

Asset retirement. PEAS terminology for a capital property deletion/disposal.

Assets. The economic resources controlled by an entity whose cost at the time of acquisition can be objectively measured.

Auction. A public sale in which property or merchandise is sold to the highest bidder.

Authorized user. A Postal Service facility authorized to requisition stock and nonstock items directly from the GSA or the MDC.

Available for issue. The inventory balance on hand, less any outstanding obligations.

Average inventory level. Safety level plus one-half the operating level. This is an approximation of the average expected on-hand quantity for any item.

Backorder. Unfilled customer order, commitment, or requisition. It is an immediate (or past due) demand against an item whose inventory is insufficient to satisfy the demand. Unless canceled, a backorder is filled automatically when stock is replenished.

Backorder rate. Measures how effectively inventory managers anticipate customer requirements by assessing how many items could not be provided to customers because stocks had been depleted. Backorders will typically be held and monitored at both the wholesale and retail levels. The backorder rate is based on the number of items backordered compared with the number of items carried in inventory. The backorder rate is expressed as a percentage.

Balance on hand (BOH). Quantity of stock actually on the shelves or in the bins or other storage areas of a supply facility, available for issue or use.

Barcoding. A method of encoding data using a barcode for fast and accurate readability.

Barrel. Cylindrical-shaped container that is longer than it is wide and has ends of equal diameter.

Batch processing. Automated processing technique where transactions are accumulated and processed together, or in a batch.

Benefits-to-cost ratio. A measurement of management effectiveness in which operational advantages and improvements or resource savings are weighted against monetary and other expenditures necessary to attain them.

Bias. Distortion of data or its presentation as the result of an assumption or other loss of objectivity.

Bill of lading. Limited liability contract covering transportation of property from one place to another. It acknowledges receipt by the carrier, identifies the consignee, provides proof that the shipment was delivered to the consignee, and serves as the basis for payment and audit of charges.

Bin location. The physical “address” of a stock item in a stockroom or picking line.

Block storage. A method of storage that stacks containers side-to-side in cube-like formation, with a minimum of aisle space.

Budget entity. PEAS terminology for a Finance Number.

Bulk Mail Center (BMC). A mail processing plant for the distribution of mail in pieces or bulk form.

Bulk pick line. A method of order selection (picking) where items are located on a pick line and issued from stock only in case lots.

Bulk processing. Used for Material Distribution Center requisitions when the quantity ordered of any supply item is equal to or greater than one case.

Bulk storage area. The storage area in the warehouse used for large quantities of a stockkeeping unit. The products stored in a bulk storage area are used either to replenish the pick line or to fill larger orders.

CAG Office. Cost ascertainment grouping (CAG) categorization that groups Postal Service facilities according to revenue units. The categories include:

A—G: Offices with 950 or more revenue units.

H—J: Offices with 190 to 949 revenue units.

K: Offices with 36 to 189 revenue units.

L: Offices with 0 to 35 revenue units.

Cannibalization. Removal of an assembly, subassembly, or item of equipment from an end item to be used on a like end item to restore the receiving end item to operational condition.

Capital property. Items that are acquired through purchase, transfer, or donation, and that meet each of the following criteria: (a) have a service life of more than one year; (b) are capable of being identified as a standalone item of property throughout their useful life; (c) have an assigned value of \$10,000 or more.

Carcass. Repairable assembly not ready for issue.

Carrier. An individual, company, or corporation engaged in transporting property or persons for compensation.

Carrier's delivery document. A freight bill (often called a pro) prepared by the carrier and given to the consignee when the shipment is delivered.

Provides information such as a description of the goods, the name of the shipper, the point of origin, and the shipment weight.

Carton. A container constructed of solid or corrugated fiberboard or paperboard.

Catalog. Collection of technical data generally ordered by stock number.

Causative research. In-depth investigation of selected adjustments conducted to determine why they are necessary so that corrective action can be taken. Causative research consists of a complete review of all transactions (including supporting documentation for receipts, issues, surveys, and unposted documentation) since the last physical inventory.

Centrally purchased items. Items that are purchased at Headquarters, MDC, PSC, or at area level for the purpose of cost benefit, inventory management, and/or standardization.

Centrally stocked items. Common-use supply, part, and equipment items that are purchased on a consolidated basis to obtain value discounts and stocked centrally to ensure availability.

Certification. Acknowledgment of receipt, either full or partial, of supplies, services, or equipment specified within a delivery/purchase order or contract.

Claim. A demand made upon a carrier for payment because of loss or damage alleged to have occurred while a shipment was in the carrier's possession; or a demand upon a carrier for refund of an overcharge.

Collectible. Anything that has value or interest to a person or organization for the purpose of purchase, retention, or preservation. A collectible is less than 100 years old. Age distinguishes a collectible from an antique.

Commercial zone. Points and places within the boundaries of cities, towns or townships, and their surrounding areas.

Commodity. A type or grouping of items.

Compliance review. Review conducted to determine compliance with regulations, procedures, and legislation.

Concealed damage. Damage that is not evident at time of delivery, but is discovered after the package is opened and the contents are examined.

Consignee. Person or organization to whom a shipment is to be delivered.

Consignor. Person or organization that directs or arranges for a shipment. (The consignor may or may not be the shipper.)

Consolidation. Practice of combining smaller shipments to make carload or truckload shipments.

Consumable supplies. See [Supplies](#).

Contracting activity. Any department or unit within the Postal Service that has the responsibility and authority to contract for the acquisition of facilities, equipment, supplies, services, or mail transportation.

Control code. Repairable item code and the requisition serial number used by warehouse personnel to identify repairables.

Conveyance. Means of transportation; transportation equipment.

Cost center. ADM terminology for a finance number.

Cost supply items. Select group of supply items for which a cost is charged back to the requester's finance number.

"Country store" items. Items that are procured at the Headquarters level on a one-time basis that are sent to the MDC for storage and/or allocation. Headquarters provides allocation instructions.

Courtesy storage. Temporary storage of items that are not part of the normally available for-issue-stock of the supply facility. The Postal Service warehouse system will accommodate requests for courtesy storage on a space-available basis.

Crossdock. A warehouse activity involving receiving a load and placing it in the staging area to be loaded and shipped to another location.

Cubical capacity (cube). The carrying capacity of a car, truck, or other conveyance, measured in cubic feet (length x width x depth).

Custody. Immediate charge and control exercised by a person over Postal Service property.

Customer. See [User](#).

Customer service. Delivery of a specific amount of product or services to a customer at the time and in the condition or manner specified by the customer or by Postal Service policy.

Customer Supply Centers (CSC). Retail GSA outlets that carry a limited number of supply items. Delivery is generally within days; however, order quantities are limited.

Cycle counting. A physical inventory-taking technique where inventory is counted on a periodic schedule rather than simply once a year.

Damage. Injury to property (partial or total destruction) or marring of the appearance or soundness of its structure. Usually occurs during the handling, packaging, or transportation process. See also [Apparent damage](#) and [Concealed damage](#).

Decision analysis report. Report generated for new initiatives that states the problems, identifies alternatives and associated costs, and recommends one of the alternative solutions. The reason for selection is also explained.

Deficiency. Term used with the GSA stock system in referring to material ordered from GSA that is found to be faulty or unsuitable for its intended purpose, not because of damage but because of its design, its quality, or a procurement error.

Delinquent. Late; behind schedule.

Delivery document. See [Receiving documents](#).

Delivery lead time. Time interval, measured in calendar days, from the date when an order is placed or a contract is awarded for an item to the date when the item is actually received in stock. Also referred to as shipping time, delivery lead time includes production lead time when items are manufactured for the Postal Service.

Delivery order. Order that directs an established source of supply, or a commercial contractor with whom the Postal Service has set up a term contract, to transfer possession of goods to the ordering activity.

Demand. A user requirement for a particular product, component, or commodity.

Demand data. Historical data collected to document customer demand for a given inventory item.

Demand history. Information on the requisition frequency and volume of a given item in the material management system. Demand history is derived from supply records and is used in determining how much stock should be kept on hand.

Demand-based item. Item stocked because it has demonstrated a sufficient past demand history to warrant stockage under specified Postal Service demand frequency thresholds.

Demurrage/Detention. Penalty charges assessed by carriers when shippers or receivers detail conveyances of freight beyond a specified free time which is allowed for loading and unloading.

Depreciation. The periodic expensing of capital equipment costs over an estimated useful service life, and allocating and matching historic asset costs to periodic revenues.

Depth. Quantity carried in inventory of a given item.

Direct cost. Operating cost that can be directly attributed to a particular job or operation.

Discrepancy. Term used for the situation in which a shipment is found unsatisfactory due to shortage, overage, damage, or any other difference between the item as ordered or shipped and the item as received. See also [Deficiency](#).

Disposal. Act of getting rid of unrepairable, obsolete, unusable, or surplus serviceable Postal Service property through trade-in, sale, cannibalization, sale for recycling, transfer, donation, or placement in a landfill.

Disposal committee. Group of individuals at a Postal Service activity designated to review and approve recommended disposal methods for excess property.

Disposal methods. Authorized means by which Postal Service material may be disposed of; namely, trade-in, sale, transfer, donation, and supervised destruction. Specific approval requirements and procedures apply to each disposal method.

Distribution. The process by which material is processed, handled, and moved within the Postal Service material management system to Postal Service customers.

Distribution center. Warehouse of finished goods. Also the facility from which wholesale and retail orders may be filled. A material warehouse would be the distribution center for the buyers of its stock.

Diversion. Change made in the route of a shipment while in transit. See also [Re-consignment](#).

Documentation. Authentication or substantiation of an action with documents (e.g., the completion of PS Form 969) to reflect the method used to remove an item or items from Postal Service inventory.

Donation. Method of disposal in which unrepairable, obsolete, unusable, or surplus serviceable property is contributed to a state agency, public body, nonprofit organization, or foreign government.

Download. Process of receiving data by one computer from another.

Drawdown. Issue or other use of stocked inventory items.

Drayage/Local drayage. The movement of material within the boundaries of a city, town, township, or commercial zone.

Discrepancy Report Center (DRC). A GSA unit to which all quality deficiency reports and all discrepancy reports are addressed for processing.

Due-in. Material procured but not yet received from any source (contract, depot, government, or other Postal Service facility).

Due-in management. Process of monitoring and expediting stock replenishment due-ins to ensure that material is received when needed.

Due-out. Quantity currently owed to customers because it was unavailable for issue at the time of requisition.

Dunnage.

- a. Loose packing of bulky material put around cargo for protection during transport.
- b. Lumber or other material used to brace and secure cargo to protect it from damage.

Echelon. Hierarchical level of activity or management. In material management, echelon refers to one of the three inventory levels — wholesale, retail resupply, or retail consumer.

Economic order quantity. Inventory control technique that determines the stock level (order quantity) for an item that will result in the lowest overall cost by weighing the cost incurred in stocking the item against the costs incurred in not stocking it.

Economic repair cost. Refers to a general guideline for determining whether Postal Service property should be repaired. An economical repair cost is seen as one that does not exceed 40 percent of the cost of replacing the property; however, availability of replacement items must be taken into account.

Economic repair quantity. Quantity of unserviceable repairables that will be repaired as a single lot when serviceable items reach the repair reorder level.

Electronic Data Warehouse (EDW). A web-based depository of financial and performance data from various Postal Service systems.

Emergency order. Order for a repair part required to repair an essential piece of equipment that is inoperative.

End item. An item that fulfills a specific function. Generally, end items are made up of components, assemblies, and subassemblies.

Environmental Protection Agency (EPA). An independent federal agency charged with enforcing laws passed by the Congress regarding environmental issues.

Equipment. Any capital or noncapital property of the Postal Service that performs a function in its own right, is not consumed in use, and has a useful life expectancy (exclusive of component wear out) of at least one year.

Established sources. A network of sources of supply used by the Postal Service. Included are both internal sources and several sources established by the federal government for use by federal agencies, including the Postal Service. The federal sources include the FEDSTRIP, Customer Supply Center, and Federal Supply Schedule programs managed by GSA, as well as stock programs managed by the Department of Defense and the Department of Veterans Affairs.

Exception report. Report that lists or flags only those items which deviate from plan.

Excess material. Equipment, supplies, or repair parts over and above the foreseeable needs of the Postal Service facility or organization accountable for it.

Expendable material. Expendable refers to items that are not classified as capital property and are generally consumed over their service life. This includes items costing less than \$10,000, repair parts, most mail transport equipment, and workroom furniture regardless of cost. The costs of these items are charged to an expense account and are not depreciated.

Fair market value. The amount for which an item will sell, presuming that willing sellers are not compelled to sell and willing buyers are not compelled to buy.

Federal Standard Requisitioning and Issue Procedure (FEDSTRIP). A system of processing government agency requisitions for supplies from the GSA-managed National Supply System.

Federal Supply Schedule. Indefinite-quantity contracts awarded by GSA to commercial contractors for various standard-use supplies, equipment items, and services. Designed to provide volume purchase discounts while still giving agencies the option of ordering items directly from contractors. Postal Service activities may issue delivery orders against the Federal Supply Schedules.

FEDSTRIP address or FEDSTRIP number. A 6-character code assigned by GSA to indicate the agency (or other government element of ownership or sponsorship), the specific activity, and the address to which goods, documentation, and billing are to be sent.

Feedback. Flow of information back into a control system that enables comparison of actual with planned performance.

Field assistance review. Review designed to help an activity in specific functional areas.

Fill rate.

Finance number. A 6-digit number assigned to a Post Office for financial accounting purposes.

Financial inventory accounting. The process of reflecting, in terms of dollar values, the results of any supply transaction that affects the aggregate dollar value of inventory balances.

First in, first out. A method of inventory evaluation that presumes the oldest inventory (first in) is the first to be used (first out).

Five-year budget process. The budget process that project requirements over the short- and long-term. Federal budgets require projections over a 5-year period.

Fixed mechanization support equipment. Mechanization or equipment which is custom-designed for a building and/or is included in the cost of a building project. It is generally attached to the building or part of the building structure.

Floorload capacity. Maximum capacity of a storage space or car, expressed in pounds per square foot.

FOB destination. Free on board to the point of destination. Freight costs are paid by the seller to the point of destination. Title transfers at destination.

FOB origin. Free on board at the point of origin. Freight costs are paid by the buyer. Title transfers at origin.

Forecasting. Generally, the consolidation into cumulative projections of requirements developed throughout the Postal Service to enable coordinated acquisition. Specifically, the use of established procedures for computing Postal Service-wide needs for equipment items that are purchased annually on a consolidated basis.

Formal advertising. One of the two methods of formal contracting used by the Postal Service. Following solicitation of sealed bids and a public bid

opening, award is made to the responsible bidder whose bid conforms to the Postal Service invitation for bids and will be most advantageous.

Formal sales method. One of two methods used by the Postal Service to publicly offer items for sale. This method must be used when the estimated fair market value exceeds \$10,000 per item, or if the approving official directs its use. PS Forms 7348, 7348-A, and 7348-B or their computer-generated counterparts must be used.

Free on board (FOB). Delivered to a specified point with all transportation charges paid.

Functional authorization. Any organizational unit that has the responsibility to approve or disapprove equipment and forms procurements within its respective jurisdiction.

Bill of Lading (BL) request form. Form used provided by the requester (or purchasing office) to provide information for a Bill of Lading. Contains origin's name and address, shipper's name and address, type of shipment, weight of shipment, quantity of shipment, special annotations, etc.

Gross weight. The weight of an article together with the weight of its packing and packaging and any pallet used; or, as applied to a truck, the weight of the truck and its contents.

GSA items. Supply or equipment items procured, stocked, and issued through the General Services Administration. These items are identified by both a National Stock Number (NSN) and Postal Stock Number (PSN) when stocked by the MDCs.

Handling. A general term for all warehouse activities requiring the movement of warehoused items; as opposed to storage, the stationary portion of warehousing.

Hardware. The computer and its peripheral equipment used in automated data processing.

Hazardous material. A substance or material in a quantity and form that may pose an unreasonable risk to health and safety or property when transported in commerce. Materials so designated may include, but are not limited to, explosives, radioactive material, etiologic agents, flammable liquids or solids, combustible liquids or solids, poisons, oxidizing or corrosive material, and compressed gases.

Historical record. An official written document that requires special approval to determine disposition.

Holding cost. Cost directly related to the amount of items maintained in inventory. Sometimes called investment cost, carrying cost, or maintenance cost.

Honeycombing. Storing and withdrawing inventory items in such a manner that the empty space resulting from withdrawing is not usable for the storage of additional items.

ID number. A unique 6- or 7-digit number by which each piece of capital property owned by the Postal Service is identified and managed. ID numbers are assigned and controlled by the San Mateo ASC. They are barcoded on labels that are affixed to property items.

In-process documentation. Documentation relating to issues, receipts, and other supply transactions that affect the stock record balances of items undergoing physical inventory.

Inactive material. A term referring to property that is not being used because it is either not needed (excess), not yet needed, or not yet installed surplus, obsolete, or in need of repair.

Indefinite-quantity contract. A type contract, under which various activities are authorized to place order, in varying amounts, for the item or items covered by the contract. Federal Supply Schedules are indefinite quantity contract.

Inspection Service items. Supply and equipment items for which acquisition, stockage, issuance, and disposal are controlled by the Inspection Service.

Insurance item. A component, subassembly, or assembly that has a very low mortality rate, is infrequently used, and is stocked as insurance against a lengthy shut-down of equipment.

Insurance item rate. An indication of the incidence of insurance items. The insurance item rate is measured as a percentage of total line items carried in inventory.

Integrated logistics support plan. The principal logistics document for an acquisitions program, consolidating all requirements within the various Postal Service organizations and Headquarters elements. It describes the logistics elements that must be considered to successfully deliver and employ new, modified, or redeployed systems or equipment; and establishes a plan of execution for each element.

Integrated logistics support planning. A disciplined unified, proactive and interactive approach to the management and technical activities necessary to:

- c. Integrate logistics support considerations into the basic design of systems and equipment.
- d. Develop material and other logistics requirements that are related consistently to specified support objectives, to system/equipment design, and to each other.
- e. Acquire and position the required logistics support.
- f. Deliver the required logistics support concurrently with the equipment or system at an acceptable life-cycle cost to the Postal Service.

Intermodal. Using more than one type of carrier for transportation from origin to destination; for example, motor to rail, motor to rail to motor, or motor to air.

Inventory. Material stocked to meet future requirements; or the act of holding material in stock to meet future needs.

Inventory accuracy rate. Relationship between the number of items actually on hand and the number expected to be on hand as stated on inventory records; the adequacy of physical inventory security measures. Measured in percentage based on the unit count.

Inventory carrying cost. Cost of carrying inventory, usually defined as a percentage of the dollar value of inventory per unit of time (usually one year). Factors used in determining the dollar value of inventory include the capital invested in inventory and the cost of maintaining it, such as taxes, insurance, obsolescence, spoilage, and storage space.

Inventory control. The decisions and procedures by which those responsible for inventories decide which items to stock, how much to stock, when and how much to order for replenishment purposes, and when to declare stock excess and dispose of it. Involves the maintenance of data on the quantities, locations, and conditions of all property due in, on hand, and due out, so as to facilitate inventory management.

Inventory investment. Aggregate dollar value of all levels of inventory.

Inventory locator system. A system for determining the specific location of an inventory item in the storage area to facilitate picking and issuance.

Inventory management. Process of determining future requirements and controlling inventory so as to meet those requirements effectively and economically.

Inventory management cost. Those Postal Service variable costs that are affected by the decisions of the inventory manager to carry items of supply in inventory. These costs generally fall into four basic categories: order cost, holding cost, transportation cost, and stockout costs.

Inventory parts listing. A list containing quantity and value information for each repair part of supply item maintained in a facility storeroom. The list is organized by item number. Data elements include balance on hand, accounting period, and year-to-date summaries of the number of units issued or adjusted and their respective values.

Inventory turn rate. The number of times inventory is replaced during a given time period (usually a year). It is calculated by item by dividing the number of items issued for the period by the average inventory level for the period. In aggregate, it is calculated as the total number of inventory issues for the period divided by the aggregate average inventory level for the period. Low inventory turn rates indicate that the inventory levels are too high, and effective customer support can most likely be achieved with lower inventory levels.

Inventory write-off. A deduction of inventory dollars from financial records because of inventory losses, damage, or spoilage.

Inventorying. See [Physical inventorying](#).

Invoice. An itemized list of deliveries by a vendor and an associated dollar value due to the vendor.

Issuance. The process of filling requisitions from stock held in local supply and parts rooms

Issuing office. Offices responsible for the implementation and control of PSBL procedures.

Item name. The name by which an item is identified in a catalog. An item name is a concise general description of the item.

Julian date. A calendar date expressed as a 4-digit number, where the first digit is the last digit of the calendar year and remaining three digits are the sequential day of the year. For example, the Julian date for January 1, 2004, is 4001; for January 2, 2004, 4002; for December 31, 2004, 4365, etc.

Knocked down. Term that denotes that an article has been taken apart so as to reduce the space it occupies.

Lading. That which constitutes a load; the freight in a car, vessel, vehicle, or container.

Laydown area/Shipment staging. A temporary storage area in a warehouse or terminal where goods are accumulated for final loading at one time.

Lead time. See administrative lead time and delivery lead time.

Lead-time level stock. Amount of stock needed to cover requisitions expected to be received from the time a replenishment order is placed through the time the replenishment stock is received. Figured by multiplying the monthly usage rate by the number of months of lead time. See also delivery lead time.

Less-than-carload. Quantity of freight less than that required for application of the carload rate (a carload rate generally being more favorable than a less-than-carload rate).

Less-than-truckload. Quantity of freight less than that required for application of the truckload rate (a truckload rate generally being more favorable than a less-than-truckload rate).

Life-cycle cost. Cost associated with the design, development, acquisition, operation, support, and disposition of a system or equipment over its full operating life cycle.

Life-cycle management. Seven-phased cycle for the management of an end item in the postal inventory. Phases include: concept development, planning acquisition, pre-production, production/deployment, operation, and disposal.

Line item. Each individual type of property listed on a requisitioning, purchasing, or transportation document.

Line-haul. Transportation of freight over the tracks of a railroad or over the routes of a trucking company from one town or city to another, not included local pickup, delivery, or switching.

Loaded to capacity. Refers to the extent to which a vehicle is loaded with freight. A vehicle loaded to capacity is (1) filled to its weight-carrying capacity or (2) so filled with freight that no more like freight in the shipping form tendered can be loaded in or on the vehicle.

Local purchase. The authorized purchase of supplies and services by an installation for its own use or the use of an installation or activity logistically supported by it. Local purchases are not limited to suppliers within the immediate geographic area of the purchasing installation. (See the *Administrative Support Manual* for levels of authority.)

Local stock number. Stock number assigned to nonstandard items by a Postal Service retail activity.

Locator system. See stock locator system.

Logistics. The practice of planning for, acquiring, storing, issuing, transporting, and using items in support of an activity or endeavor.

Mail Equipment Shops (MES). A Postal Service field facility operating under Supply Management, Material Production & Distribution that manufactures, repairs, and supplies locks, keys, mailbags, pouches, and other related equipment and accessories for other Postal Service facilities.

Mailing label. A generic term for any label used in shipping or mailing correspondence, supplies, repair parts, and equipment.

Maintenance planning. The development and establishment of maintenance concepts and requirements for the lifetime of a system or equipment. It analyzes maintenance tasks, equipment overhaul requirements, obsolescence, and maintenance data logging requirements.

Markings. Numbers, nomenclature, special labels, or symbols affixed to packages for identification during transportation and storage operations.

Material. All material, other than buildings and real estate, owned by the Postal Service; that is, all supplies, equipment, and repair parts.

Material accountability officer. Postal Service employee responsible for taking material control measures in regard to the property assigned to his/her facility's finance number. This includes safeguarding, physical inventorying, record keeping, excess reporting, and disposal.

Material control. Material management function of regulating the receipt, custody, use, and disposal of all Postal Service-owned material (except real estate and vehicles).

Material disposal. See [Disposal](#).

Material Distribution Center (MDC). Postal Service wholesale facility in Topeka KS that is responsible for stocking common-use supplies, parts, equipment, forms, and directives and for issuing them to other Postal Service facilities.

Material management. The process of directing and controlling personnel or procedures to accomplish the organizational objectives of providing quality supplies, parts, and equipment on a responsive, cost-effective basis through requirements development, property control, warehousing, and distribution.

Material Service Center (MSC). One of four HQ field units that provide material management support and oversight to the field.

Mean time between failures. Average amount of time a given piece of equipment will operate before it fails.

Mean time to repair. Average amount of time required to repair a given repairable piece of equipment.

Min-max system. Inventory management technique that places a replenishment order when the available stock falls to the minimum level or below it. The quantity ordered is the difference between the available stock and the maximum (target) level.

Modem. Device allowing computers and/or terminals to communicate over telephone lines. The modem translates a digital computer signal into an

analog telephone signal, and vice versa. Both sending and receiving machines must have a modem in order to communicate.

Modes. Refers to the basic divisions of the transportation industry. The primary modes are truck, rail, air, and water.

Moving average. An average computed on a fixed number of observations; the fixed number is always applied to the most recent observations.

Multi-Use File for Interagency News (MUFFIN). GSA's electronic information system, which can be accessed by customers 24 hours a day. Services available include:

- a. Source of supply information on schedule, stock, and special order programs.
- b. Excess/surplus personal property availability.
- c. List of GSA customer service officers.
- d. Quality complaint reporting.
- e. Customer comments and suggestions.
- f. FEDSTRIP requisitioning.

National Stock Number (NSN). A number assigned to each common item of supply repetitively used, purchased, stocked, and distributed within the federal government. It is made up of 13 digits in 4 groups; for example, 7240-00-160-0440 (Federal Supply Group 72, Federal Supply Class 7240, and National Item Identification Number 00-160-0440). All items requisitioned by FEDSTRIP from GSA must be identified by NSNs.

Natural account. PEAS terminology for a GLA (general ledger account) number.

Negotiated sales. Sales involving informal bids solicited by telephone or fax when the formal sales method is determined to be nonfeasible or impracticable because of time or space requirements.

Negotiation. One of the two major methods of formal contracting used by the Postal Service. Employed when the formal advertising method is determined to be infeasible or impracticable.

Net book value. PEAS terminology for the undepreciated balance.

Nondemand-based item. Item stocked because of its importance to the operating customer or because it has been determined that it is less costly to stock than not to stock the item.

Nonstocked item. Item not stocked in inventory.

Not ready for issue (NRFI). A repairable assembly in need of repair.

Notice of credit. Credit issued to a facility upon return of a repairable item. A credit equals 80 percent of the original cost of the item.

Obsolete material. Material that has been replaced by substitute items or items of an improved design.

Occupational Safety and Health Administration (OSHA). The branch of the Department of Labor responsible for ensuring safety in the workplace. Representatives have the authority to conduct unannounced visits and reviews of Postal Service facilities.

On-time delivery. Delivery of a product or service at the time previously specified.

Open market. The commercial market. Procuring from the open market involves contracting with commercial vendors, and not using previously established federal purchasing agreements.

Operating costs. The cost of ordering, holding, and issuing material.

Operating level stock. The amount of stock expected to be issued from one replenishment to the next.

Operational availability. The probability that a given system or equipment will be in an operable or “up” condition at a random point in time.

Order. A commission to purchase; directions to deliver goods or to pay money.

Order costs. Costs associated with preparing and placing an order for inventory replenishment, and of receiving the incoming shipment.

Order cycle. Includes the time and processes involved from the placement of an order to the receipt of the shipment or services. The processes included are:

- a. Communicating the order.
- b. Processing the order.
- c. Transporting the shipment or performing the service.

Order time. Time elapsing between the receipt of a requisition by a supply room or other warehousing facility and the issuance of the item or items to the requisitioner.

Ordering instructions. Bulletins issued for centrally procured items providing delivery order details and, in some cases, financial and distribution information.

Overage. Article of freight (packaged or loose) which, upon delivery by a carrier, is found to be in excess of the quantity of material recorded on the bill of lading covering the shipment.

Overage, shortage & damage (OS&D) claims. A written request to a carrier for reimbursement of expenses to repair or replace material that has been damaged or lost by the carrier.

Packing. Application or use of exterior shipping containers and assembling of items or packages in them, together with necessary blocking, bracing, cushioning, weatherproofing, strapping, and marking.

Packing slip. List of items contained in a shipment.

Pallet. A device used for moving and storing freight. Freight is placed upon the pallet. Pallets are constructed to facilitate their movement by forklift.

Parts order list. A list containing quantity to order, source code, unit price, and item number of items that reach reorder point during daily inventory operations.

Past due. An order that has not been completed on time; delinquent.

Penalty label. Labels used to send official government agency mail containing matter relating exclusively to the business of the government, authorized by law without prepayment of postage.

Performance review. A review of the performance of an activity in specific areas, as defined by specific standards and measures.

Permanently marked material. Material having the Postal Service insignia imbedded in its body.

Physical count. Counting designated items in storage and recording the quantity counted on a designated document such as a count card or tally sheet.

Physical inventory adjustment. Transaction that corrects the book balances of the material and financial records.

Physical inventory research. An investigation of potential or actual discrepancies between the physical count and the balance shown on the stock record. Its purpose is to ascertain whether the recorded balance is correct and to discover the causes of discrepancies.

Physical inventory reversal. Transaction that reverses a physical inventory adjustment through a credit loss or credit gain action in both material and financial records.

Physical inventorying. Actions necessary to make a physical count of all supplies, parts, and equipment within a supply room, stockroom, or other warehousing area, and to reconcile that count with records on the property inventoried. Postal Service activities are required to conduct physical inventories on a scheduled basis.

Pick line. Area in the warehouse from which the cases or items for orders to be shipped are picked. The area is also called the order-pick storage area.

Picking. Process of withdrawing components or finished goods from stock to fill a customer request.

Picking ticket. Stock tag describing the item the lineman pulls from supply center stock to fill an order.

Pickup and delivery. A service rendered by carriers in which shipments are picked up at the consignor's location or delivered from the carrier's terminal to the consignee's location without additional charge.

Pilferage. Pilferage exists when items are found totally or partially missing from a shipping container that has been torn open, or when items vulnerable to theft are found totally or partially missing in the same or adjacent shipments in which other containers have been tampered with.

Planned utilization date. The date that idle equipment (normally restricted-use equipment) stored for future use is to be put into service.

Positioning. The determination of where stocked material should be physically positioned in the overall distribution network.

Postal Service Item Number (PSIN). A number assigned to a supply or equipment item to identify that item for requisition, storage, issuance, and property control purposes. This identification system is being phased out.

Postal Stock Number (PSN). A number assigned when the item is stocked by the MDC but not carried in the Federal Supply System managed by GSA. Has the same format as an NSN. Also known as a "pseudo NSN."

Praeto's Law. A concept developed by Vilfredo Praeto that states that a small percentage of a group accounts for the largest fraction of the impact

value; for example, 20 percent of the inventory items may constitute 80 percent of the inventory value.

Probability distribution. Distribution of the potential outcomes for a given event. Generally a graphic or tabular representation of all possible results.

Procurement. Includes purchasing, renting, leasing, or otherwise obtaining supplies or services. It also includes all functions that pertain to obtaining supplies and services (except for determination of requirement), including description, selection and solicitation of sources, preparation and award of contract, and all phases of contract administration.

Productivity. The work effectiveness measure that is generally the sum of outputs divided by the sum of inputs.

Property Code Number (PCN). Six-digit numerical classification used to identify capital property items and capitalized modification. A PCN is assigned to each type of item and maintained by the San Mateo ASC. PCNs are published in Handbook F-43, *Property Code Numbers*.

Property & Equipment Accounting System (PEAS). The San Mateo ASC accounting system used to track capital property.

Property records. Supply records and all other records used in controlling Postal Service property.

Property transaction. An action that either adds an item of capital property to or deletes it from the accountable facility's inventory. May be an acquisition, a transfer, a loan (temporary transfer), or a disposal.

Proprietary items. Supply and equipment items that have been designated by the Inspection Service as critical from the standpoint of disposal and which, therefore, may not be transferred, sold, or released outside the Postal Service.

Provisioned item. Item stocked to provide initial support of new or modified end items of equipment or systems until the introduction of the equipment or system is complete and historical demand reflects the valid continuing customer requirement.

Provisioning. Actions taken during the process of purchasing equipment or systems to determine which parts and assemblies should be stocked in inventory to ensure continued equipment/system operation.

Quarantine. A control process placed on an operation to protect against a health hazard.

Queue. The lining up of messages, data, or other items for sequential processing.

R-coded reparable. A reparable item that must be ordered from the MDC and is not authorized for stocking at a local facility.

Range. The variety of items carried in inventory.

Re-consignment. Any change in a consignment, other than a change in the route, made before the arrival of the goods at their billed destination or any change in a consignment made after arrival of the goods at their billed destination, when the change is accomplished under conditions that make it subject to the re-consignment rules and changes of the carrier. See also [Diversion](#).

Ready for issue (RFI). A repairable that has been rebuilt and returned to stock.

Receipt/Receiving. Unloading trucks or rail cars and inspecting material for processing to customers or for storage. Includes material inspections.

Receiving documents. Documents used by personnel responsible for receiving and accepting incoming shipments on behalf of the Postal Service. The documents are used to verify that items shipped meet all requisition, order, or contract terms, and, if so, to authorize payment for the items.

Recycled materials. Materials that otherwise would have been destined for disposal but that have been collected, reprocessed, or remanufactured into new products.

Redistribution. Physical relocation of items from one activity to another. Also transfer.

Reference Number. A unique number assigned to each transaction in PEAS.

Reorder point. The point at which replenishment action should be taken for a given stock item. The reorder point is reached when the level of stock on hand equals the lead-time level quantity plus the safety-level quantity (termed the reorder point quantity).

Repair part. A replaceable part, subassembly, or assembly that is expected to be used for the efficient repair of breakdowns during the useful life of an equipment item.

Repair tag. A form that contains a brief description of a defective repairable part and is affixed to the part.

Repair turnaround time. The period of time from the induction of an unserviceable item into repair until the repair facility returns it to serviceable condition.

Reparable or repairable. A part, subassembly, or assembly that can be repaired and reused for the majority of breakdowns during the useful life of its end-item application.

Replenishment. The act of submitting requisitions and placing orders so as to prevent depletion of stock maintained in inventory.

Report of discrepancy (ROD). Standard PS Form 364, completed for returned items for credit or to obtain credit on damaged or erroneous material. Sent to the DLA supply center that issued the item.

Requirement. Need for a supply, repair part, or equipment item, identified by a Postal Service operational entity and conveyed through appropriate channels to material management and purchasing personnel; or the projection of the quantity of an item that will be needed to support operations for a stated period of time (generally one year).

Requirements development. The systematic projection and reporting of the supplies, repair parts, and equipment needed to carry on Postal Service business. Enables Supply Management to determine strategies for purchasing items on a consolidated basis so as to achieve monetary and administrative savings.

Requirements planning. A combination of long-term and intermediate-term planning and forecasting to identify the future needs of the Postal Service. Such planning is strategic in nature and, by definition, system-wide in perspective.

Requisition. An electronic or written request submitted to a supporting material management or purchasing activity for supplies, parts, or equipment; or an electronic or written order for supplies, parts, or equipment items submitted by material management personnel to an internal or other established supply source.

Requisitioning objective. Maximum quantity of stock to be maintained on hand and on order so as to sustain current operations. It consists of the sum of the operating level quantity, the lead-time level quantity, and the safety level quantity.

Restricted-use material. Serviceable material that the accountable facility or organization plans to use in a specific location within six months of the date that the material is placed in storage.

Restricted-use property. Inactive serviceable property that the accountable facility or organization plans to put into use, in a specific location, no longer than six months from the date when the property is placed into storage. Also referred to as “not-yet-installed” or “not-in-use” property.

Retail. An activity that uses items of supply and equipment.

Retail consumer. Postal Service activity that maintains retail inventory sufficient to support only its own operations.

Retail resupply. Postal Service activity that maintains retail inventory to support itself and subordinate activities.

Retention level. The sum of the requisition objective and the retention stock. It is a trigger point to warn when an item is in long supply.

Retirement. The disposal/deletion of a capital asset in PEAS.

Return. The disposition of an item that may be returned to the inventory system for credit or not credit, or that it is prepared for sale. Before returning items to GSA/DLA for no credit, material should be offered to postal activities.

Reutilization of Assets & Materials (RAM). A MSC report summarizing the value of the redistribution of excess material, comprised of cost savings from not buying new items plus the benefit of placing idle assets back into service, and the revenue from the sale of surplus and obsolete material.

Safety level quantity. The amount of stock kept on hand to cover the contingency period that could occur if both operating level and lead time level stocks were depleted.

Salvage. Property that has some value in excess of its basic material content but which is in such condition that it has no reasonable prospect of use for any purpose as a unit and its repair or rehabilitation is clearly impractical.

Scrap. Material that is damaged, defective, or deteriorated to the extent that it has no value except for its basic material content; items that do not qualify

for redistribution or return; e.g., obsolete items, damaged beyond economic repair, unidentified items will be disposed of and sold as scrap. Also referred to as “junk.”

Sealed bid sale. A sale in which an invitation for bids and bidding forms are provided to prospective buyers. The invitation for bid describes the property offered for sale, lists any special conditions applicable to the sale, and indicates where and when property may be inspected.

Seasonal demand items. Items for which there is a significantly higher or lower rate of demand during the same period each year.

Self-service equipment. Customer-operated equipment such as automated postal centers (APCs) and stamp vending machines.

Sensitive expendable property. Expendable property that is considered especially vulnerable to theft or loss.

Sensitive material. Expense items that are considered especially vulnerable to theft or loss (e.g., office equipment such as computer equipment, digital cameras etc.).

Serial locks. Street letterbox padlocks used with hasp and staple-type fasteners.

Serial number. A unique number assigned to a single piece for identification that will never be repeated for similar pieces. Serial numbers are usually applied by the manufacturer but can be applied at other points, including by the distributor or wholesaler.

Service life. The estimated average number of useful years assigned to an asset. Service life is expressed in years, but is converted to months for the purpose of calculating depreciation expense. Personal property items have a variety of service lives.

Serviceable material. Material that performs its function without repair or renovation; new or used property that can be put into immediate use.

Set-up. Articles shipped ready for use, as contrasted to articles that are knocked down.

Shelf life. Predetermined life expectancy that perishable commodities can sit in inventory and still perform their intended use.

Shipper. Organization that furnishes or delivers material to a carrier for movement.

Shipping. Function of moving material from the warehouse to customers by commercial or government conveyances.

Shipping label. Generic term for any labels used in shipping or mailing correspondence, supplies, repair parts, and equipment for a postal facility and/or vendor.

Shipping point. Location from which material is shipped.

Shortage. All or part of a shipment, as shown on the bill of lading, which has not been received.

Solicitation. Oral or written request issued by Postal Service purchasing personnel seeking to obtain competitive offers from prospective vendors for specific items or services.

Sources of supply. See [Established sources](#).

Space management. Principles and practices of managing the physical storeroom and warehouse space required by the Postal Service to perform the material functions necessary for supporting customers.

Specifications. Portion of a requisition and the resulting order or contract that describes the requirement in specific terms and which may include criteria for determining whether the requirement has been met.

Staging area. A temporary storage area in a warehouse or terminal where goods are accumulated for final loading at one time.

Stock. Items held in storage to be used for future needs; as used in this handbook, synonymous with inventory.

Stock control. See [Inventory control](#).

Stock locator system. A system, maintained in conjunction with supply or inventory records, which shows the exact location of all items stored within the supply room or other warehousing area.

Stock number. A number assigned to an item by the MDC when the item is stocked by the MDC but not carried in the Federal Supply System managed by GSA. Has the same format as an NSN. Also known as a “pseudo NSN.”

Stock records. Written or computerized records of inventory items.

Stock turn. See [Turnover rate](#).

Stockage objective. Safety level plus the operating level. An approximation of the maximum on-hand assets for any item.

Stockout. Complete depletion of the inventory for a given item.

Stockout costs. Costs to the operating customer resulting from the unavailability of needed material and the delay experienced in receiving that material.

Stockpicking. Act of finding and pulling a specific quantity of a stocked item in order to fill a requisition for the item.

Stop-off. A privilege granted a shipper for the purpose of completing a loading or for partial unloading between points of origin and final destination (for truckload shipments).

Storage. Holding, protecting, and preserving merchandise until it is issued, shipped, or otherwise used.

Stratification. See [ABC analysis](#).

Supervised destruction. Authorized method by which property may be disposed of when no other disposal method is feasible. Under this method, property may be destroyed in the presence of the material accountability officer or other responsible employee or may be broken up and taken to a dump.

Supervised destruction committee. Committee established at all Postal Service facilities to witness and document the destruction of capital or sensitive property prior to final disposal. At a minimum, the committee includes the installation head or designee and the material accountability officer. Supervised destruction is performed by a supervised destruction

committee to ensure proper methods of treatment of capital and sensitive items prior to final landfill disposal.

Supplier. Company or individual that provides goods or services.

Supplies. Items having an expected useful life of less than one year, or items that are consumed in use (e.g., paper, pencils, folders, etc.). The term does not apply to repair and replacement components of postal equipment and mechanized systems.

Supply control classification. Process by which each individual type of item in an inventory is identified and described to eliminate the possibility of duplicate records on a given item, to enable a uniform means of referring to a given item, and to facilitate inventory planning and control.

Supply room. Area within a Postal Service facility that is used for the purpose of receiving, stocking, and issuing items of supply to authorized requisitions.

Supply support. All management actions, procedures, and techniques used to determine requirements for acquiring, cataloging, receiving, storing, transferring, issuing, and disposing of spare and repair parts, both for initial provisioning and for replenishment. It analyzes all projected attributable logistics cost elements and provides for identifying spares and repairables.

Surplus material. Any material over and above the foreseeable needs of the Postal Service.

Suspense file. Chronological file containing documents reflecting actions to be performed on specific dates.

Tariff. A publication containing rates, rules, ratings, regulations, and charges applying to transportation and incidental services.

Technical data. All items of recorded information, regardless of form or character, used to identify what an equipment, component, or part looks like, what components and material are used to make it, how it is assembled, and what special processes, if any, are required in the manufacturing process.

Term contract. Type of contract that establishes that for a given period of time, upon receipt of delivery orders for items or services, the contractor will deliver those items or perform those services at the price and in accordance with the provisions stipulated in the contract.

Terminal. Carrier station located at the shipping and receiving end, or at an important juncture, in a transportation line.

Touch Tone Order Entry (TTOE). MDC telephone ordering system.

Tracing. The act of requesting a transportation company to determine location of shipment, or a portion of a shipment, for the purpose of expediting movement, establishing time of delivery, or investigating delay in delivery.

Trade-in. Preferred method of disposal in which equipment, supplies or repair parts are given to a vendor as whole or partial payment in the purchase of new equipment, supplies, or repair parts.

Traffic management. The directing, control, and supervision of functions involved in the effective and economical procurement and use of freight transportation services from commercial for-hire transportation companies,

including rail, highway, air, inland waterway, coastwise, and intercoastal carriers.

Transaction Number. See [Reference Number](#).

Transfer (redistribution). Movement of property from one Postal Service installation to another resulting in a change from one finance number to another.

Transportation costs. The costs associated with the physical movement of equipment and supplies from external sources to Postal Service activities and also between Postal Service activities.

Transportation mode. Method used to move property from one place to another.

Truckload. Quantity of freight that will fill a truck; quantity of freight weighing the maximum legal amount for a particular type of truck; or, when used in connection with freight rates, the quantity of freight necessary to qualify a shipment for a truckload rate.

Turn. Number of times a given property item is issued within a specified period of time.

Turnover rate. Measurement of inventory management effectiveness, arrived at by dividing the total dollar value of items issued to customers annually by the average value of the inventory on hand.

Unserviceable material. Material that cannot perform its function without repair or renovation, or that cannot be used in its present condition. Includes both repairable and unrepairable items.

Upload. Process of receiving data by one computer from another.

Usage history. See [Demand history](#).

User. Person authorized to use a Postal Service system or application.

Variable costs. Costs directly related to the dollar value of the orders placed to replenish inventories. Variable costs directly affect the amount spent on inventory management. They fall into two categories: holding costs and ordering costs.

Vendor. Company or individual that supplies goods and/or services. See [Supplier](#).

Warehouse. A building or section of a building used for processing, storing, and issuing goods.

Warehousing. The material management activities of planning and organizing material handling and storage, developing stock locator systems, receiving incoming property, safeguarding property, and assembling and preparing property for issuance or shipment.

Warranty. A written guarantee of the integrity of a product for a specified time after product acceptance and the maker's responsibility for repair or replacement of a defective product or parts.

Waste reduction. Any change in a process, operation, or activity that results in the economically efficient reduction in waste material per unit of production, without reducing the value output of the process, operation, or activity, taking into account the health and environmental consequences of such change.

Waybill. Railroad term for the document that accompanies a shipment during transportation. Motor carriers usually use the term freight bill or pro.

Wholesale. A central level of inventory that supplies retail activities.

Wilson EOQ formula. Formula for calculating economic order quantity (EOQ), expressed as follows:

$$Q = \sqrt{((2CY)/(HU))}$$

Where:

Q = the economic order quantity

C = cost to place an order

Y = demand per period

H = holding cost expressed as a percentage

U = price of one unit

Work order. Authorized statement of work to be performed.

Year of acquisition. Fiscal year in which payment for capital property items is made to the contractor or other supply source. Year of acquisition must be stated on the property record for the item.

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Index

A

ABC classification, [462.21](#)

ABC stratification report, [Exhibit 462.21](#)

ABC supplement, [462.23](#)

Access

to property and equipment accounting system, [522.2](#)

to storage space, [367](#)

Accessibility of freight, [236.61](#)

Accidental damage or destruction, [646.1282](#)

Accountability. See also [Asset accountability](#)

control methods, [139](#)

definition, [511](#)

stockroom management, [414](#)

Accountable paper

recycling and disposal of, [646.1](#)

Accounting Service Center. See [San Mateo Accounting Service Center](#)

Accounting system. See [Property and equipment accounting system](#)

Acronyms, Appendix [A](#)

Administrative Services/Finance

manager's responsibilities, [536](#)

Air cargo

loading responsibilities, [236.51](#)

shipper's security endorsement, [236.32](#), [Exhibit 237.32](#)

unloading responsibilities, [242.31](#)

Antiques

definition, [645.13](#)

preserving, [645.142](#)

receipts from sale, [645.154](#)

recycling and disposal of, [645.1](#)

Approval

approval and disposition, [642](#)

approval and disposition matrix, [Table 642](#)

for disposal of Inspection Service controlled items, [Exhibit 624.243](#)

for disposals, [645.151](#)

material requiring special approval for recycling and disposal, [645](#)

storage space requirements, [382.1](#)

Artwork

definition, [645.13](#)

Asset accountability

accounting period change list, [Exhibit 571.1a](#)

capital property physical inventory, [59](#)

control requirements, [54](#)

definitions, [51](#)

eBuy requisition, [Exhibit 552.1e](#)

filing system, [55](#)

logic chart for verification of accounting period change lists, [Exhibit 575.2](#)

Material Recycling and Disposal (PS Form 969), [Exhibit 552.1c](#)

PCFM report, [Exhibit 571.1a](#)

Physical Inventory Certification/Adjustments (PS Form 2880), [Exhibit 576.2](#)

Post Office Property Record (PS Form 961-A), [Exhibit 571](#)

Postal Service automated system, [52](#)

Requisition for Supplies, Services, or Equipment (PS Form 7381), [Exhibit 552.1c](#)

responsibilities, [53](#)

San Mateo ASC documents, [57](#)

Serviceable Property Tag (Excess) (PS Form 7363), [Exhibit 564](#)

subcustody records, [58](#)

Supplies and Equipment Receipt (PS Form 1590), [Exhibit 541.27](#)

transactions, [56](#)

transfer and reassignment information generated in PEAS, [Exhibit 552.1b](#)

Asset recovery

applicability, [612](#)

definitions, [615](#)
 disposal, [64](#), [611.2](#)
 environmental policy, [611.3](#)
 forms used, [616](#)
 Maintenance Repairable Tag (PS Form 7433), [Exhibit 633.213](#)
 material identification and reporting, [62](#)
 Material Recycling and Disposal (PS Form 969), [Exhibit 624.221d](#)
 methods, [646.12](#)
 Out of Order (tag) (PS Form 4707), [Exhibit 624.221b](#)
 policy, [611](#)
 priority, [646.11](#)
 purpose of, [613](#)
 recycling, [64](#), [611.2](#)
 redistribution, [63](#), [611.2](#)
 release from liability and denial of warranty for sold or donated computer equipment, [Exhibit 646.10](#)
 Request for Funds Transfer (PS Form 7370), [Exhibit 633.63](#)
 Request for Return Authorization (PS Form 8180), [Exhibit 633.211](#)
 responsibilities, [614](#)
 Salvage or Junk Tag (PS Form 965), [Exhibit 624.221c](#)
 Serviceable Property Tag (Excess) (PS Form 7364), [Exhibit 624.221a](#)
 Shipping Instruction for Excess Property — Vehicle (PS Form 7340-A), [Exhibit 633.545](#)
 Shipping Instruction for Excess Property (PS Form 7340), [Exhibit 633.532c\(1\)](#)
 Supply Record (card) (PS Form 1586), [Exhibit 633.52](#)

Auction of historical items, [645.153](#)

Authority

Postal Service Bill of Lading issuance, [217](#)

Automated equipment

inactive inventory reporting, [624.241](#)
 redistribution of, [633.442](#)

Automated stockrooms

location codes, [352.2](#)
 storage processing, [432.31](#)

B

Backorder management

definition, [423.41](#)
 processing, [423.43](#)

requisitions, [423.42](#)

validating, [423.44](#)

Bench stock, [424.3](#)

Bill of lading. See [Postal Service Bill of Lading](#)

Bulk containers
 storage of, [366](#)

C

Canceled shipments, [221.4](#)

Capital Equipment Material Management. See also [Item Management Teams](#)
 manager's responsibilities, [123](#)

Capital file, [554](#)

Capital property

definition, [512](#)
 material accountability officer responsibilities, [541.27](#)
 new, ID labels issuance, [574.2](#)
 other-than-new, ID labels issuance, [574.3](#)
 physical inventory, [59](#)

Capital property listing procedures

overview, [576.1](#)
 updates to PEAS, [572](#)
 verification of entries, [576.2](#)

Capital records

suspense file, [552](#)

Carload shipments

loading, [236.751](#)
 seals, [236.752](#)

Carriers. See [Transportation Service Providers](#)

Catalog identification, [422.34](#)

Cataloging

catalog changes, [452](#)
 stock analysis, [451](#)
 stock analysis matrix, [Table 451](#)
 stock number systems, [453](#)

Cataloging and Technical Data Services

manager's responsibilities, [125.2](#)

Claim for loss and damage in transit (PS Form 7343), [Exhibit 255](#)

Codes, assignment and maintenance, [137.4](#)

Collectibles

definition, [645.13](#)
 preserving, [645.142](#)
 receipts from sale, [645.154](#)
 recycling and disposal of, [645.1](#)

Index

- Collection boxes
 - disposal policy, [646.81](#)
 - loans of, [646.82](#)
 - Collection equipment
 - orders from material distribution center, [244.813](#)
 - Commercial warehouses. See [Storage space management](#)
 - Completed file, [553](#)
 - Computers
 - recycling and disposal of, [646.10](#)
 - release from liability and denial of warranty for sold or donated equipment, [Exhibit 646.10](#)
 - Concealed damage
 - claim validation, [244.932](#)
 - National Freight Claim Council rules, [244.931](#)
 - TSP inspection, [244.934](#)
 - TSP notification, [244.933](#)
 - Concepts
 - accountability and control, [139](#)
 - codes assignment and maintenance, [137.4](#)
 - demand-based items, [134.2](#)
 - district material management specialist, [137.2](#)
 - FEDSTRIP process, [137](#)
 - life-cycle management, [133.13](#)
 - logistics programs, [137.1](#)
 - material acquisition, [135](#)
 - Material Service Centers, [137.3](#)
 - nondemand-based items, [134.3](#)
 - performance/contribution measurement, [1310](#)
 - process analysis, [138.2](#)
 - processes, [133](#)
 - provisioned items, [134.1](#)
 - relationship between acquisition and supply, [135.2](#)
 - retail material management, [133.2](#)
 - special acquisitions, [138](#)
 - stock categories and classes, [134](#)
 - supply chain management, [131](#)
 - supply sources, [136](#)
 - support organization, [132](#)
 - wholesale inventory item management, [133.12](#)
 - wholesale material management, [133.1](#)
 - wholesale supply management operations, [133.11](#)
 - Consignees
 - responsibilities of, [236.47](#)
 - Consignors
 - responsibilities of, [236.47](#)
 - Contribution measurement, [1310](#)
 - Control
 - definition, [511](#)
 - Control group counts, [472.12](#)
 - Control methods, [139](#)
 - CPL. See [Capital property listing procedures](#)
 - Credit policy, [444](#)
 - Critical items, [422.33](#)
 - Cycle counting
 - description of, [462.22](#)
 - as performance indicator, [471.332](#)
- ## D
- Damage prevention, [236.61](#)
 - Damaged shipments. See also [Over, short, and damage claims](#)
 - claim for loss and damage in transit (PS Form 7343), [Exhibit 255](#)
 - claim validation, [244.932](#)
 - concealed damage, [244.93](#)
 - description of damage or loss, [244.922](#)
 - photographs of, [244.923](#)
 - receiving, [244.921](#)
 - request for TSP inspection, [244.925](#)
 - retaining packing material, [244.924](#)
 - TSP inspection, [244.934](#)
 - TSP notification, [244.933](#)
 - Dead letter mail, [646.4](#)
 - Defective items, [257.2](#)
 - Defense Logistics Agency
 - receiving FEDSTRIP orders from, [244.82](#)
 - Definitions. See [B](#)
 - Delivery
 - documentation, [561.2](#)
 - inability to deliver due to unsafe condition of shipment, [242.33](#)
 - Delivery equipment
 - orders from material distribution center, [244.813](#)
 - Delivery receipt
 - annotating, [244.6](#)
 - function of, [216.12](#)
 - Demand-based items
 - description of, [134.2](#)

- finding requisition frequency, [422.22](#), [Table 422.21](#)
- using demand history, [422.21](#)
- Demurrage, detention, and storage
 - computation of highway TSP free time, [236.45](#)
 - definition, [236.42](#)
 - free time determination, [236.43](#)
 - guidelines for highway TSP shipments, [236.44](#)
 - policy, [236.41](#)
 - rail shipments, [236.46](#)
 - responsibilities of consignors and consignees, [236.47](#)
- Depreciation
 - changes, [566.4](#)
 - definition, [566.1](#)
 - expense calculation, [566.3](#)
 - managing, [566.5](#)
 - MAO responsibilities, [566.6](#)
 - service life, [566.2](#)
 - tracking, [566.5](#)
- Designated receiving points
 - responsibilities, [243.1](#)
 - special equipment and services, [243.3](#)
 - tallying, [243.2](#)
- Designation, letters of
 - for material accountability assistants, [Exhibit 541.32](#)
 - for material accountability officers, [Exhibit 541.21](#)
 - sample, [Exhibit 541.21](#)
- Destruction. See [Recycling and disposal](#)
- Detention. See [Demurrage, detention, and storage](#)
- Directives
 - orders from material distribution center, [244.811](#)
- Discrepancies
 - documenting, [244.92](#)
 - expired shelf life, [Exhibit 244.822d](#)
 - incorrect consignee, [Exhibit 244.822e](#)
 - location/inventory discrepancy report, [472.2](#), [Exhibit 472.21a](#), [Exhibit 472.21b](#)
 - as performance indicators, [471.331](#)
 - reporting, [244.822](#)
 - shortage, [Exhibit 244.822b](#)
 - stockroom, [462.3](#)
 - supply documents missing, [Exhibit 244.822c](#)
 - wrong item received, [Exhibit 244.822a](#)
- Disposal of damaged material, [256.1](#)
- Disposals. See also [Recycling and disposal](#)
 - approval for, [645.151](#)
 - Material Recycling and Disposal (PS Form 969), [Exhibit 552.1c](#)
 - normal process, [565.1](#)
 - policy, [611.2](#)
 - sale for recycling, [646.1241](#)
- District clusters
 - inactive inventory reporting, [624.231](#)
- District material management specialists
 - asset accountability responsibilities, [537](#)
 - FEDSTRIP responsibilities, [137.2](#)
 - inactive inventory reporting, [625.21](#)
 - material identification and reporting responsibilities, [622.5](#)
- Districts
 - responsibilities of, [127](#)
- DLA. See [Defense Logistics Agency](#)
- DMMS. See [District material management specialists](#)
- Documentation
 - air cargo shipper's security endorsement, [236.32](#), [Exhibit 237.32](#)
 - canceled shipments, [221.4](#)
 - for concealed damage, [244.93](#)
 - correcting a PSBL, [223](#), [Exhibit 223](#)
 - for damaged or discrepant shipments, [244.92](#)
 - document retention, [221.3](#)
 - documenting freight transportation transactions, [22](#)
 - FOB documents, [221.5](#)
 - FTMS PSBL documents, [222](#)
 - information requirements, [221](#)
 - Postal Bill of Lading register, [221.1](#), [Exhibit 221.1](#)
 - processing receipt documentation, [244.94](#), [Exhibit 244.94](#)
 - for receiving, [244](#), [Exhibit 243.1](#)
 - recycling or disposal action, [644](#)
 - requesting PSBLs, [221.7](#), [Exhibit 221.8](#)
 - San Mateo Accounting Service Center documents, [57](#)
 - for shipment between two points in the same metropolitan area, [221.8](#)
 - shipment information and labeling, [236.31](#)
 - for shipments without discrepancies, [244.91](#)
 - shipping requests, [221.2](#)
 - tally records, [236.63](#)

tracing shipments, [221.6](#)
TSP selection for shipment, [221.9](#)
types of transportation documents, [216.1](#)
vendor compliance with PSBL procedures,
[224](#), [Exhibit 224](#)

Donations

post office boxes, [646.53](#)
to a state agency, public body, or nonprofit
organization
authorization, [646.126](#)

Due-in management

accounting for due-ins, [423.23](#)
definition, [423.21](#)
eMARS parts due-in report, [Exhibit 423.24a](#)
establishing due-ins, [423.22](#)
invalid due-in, [Exhibit 423.23](#)
logic steps, [423.24](#)

E

eBuy

reports, [625.1](#)
requisitions, [Exhibit 552.1e](#)

eMARS

ABC stratification report, [Exhibit 462.21](#)
low/no issues report, [Exhibit 423.34](#)
non-stocked issues report, [Exhibit 422.22b](#)
open local orders report, [Exhibit 423.44b](#)
open orders report, [Exhibit 423.44a](#)
parts due-in report, [Exhibit 423.24a](#)
pending order report, [Exhibit 423.24b](#)
receipts, [432.312](#)
reorder report for locally procured reparable
items, [Exhibit 423.14b](#)
reorder report for manually procured items,
[Exhibit 423.14a](#)
sites, [472.21](#)
stock level and location accuracy report,
[Exhibit 471.333](#)
transaction summary report, [Exhibit 422.22a](#)

Environmental policy, [611.3](#)

Equipment. See *also* [Special equipment and services](#)

inactive, [564](#)
loans, [563](#)
major mechanization/automated, [624.241](#),
[633.442](#)

Equipment accounting system. See [Property and equipment accounting system](#)

Errors

defective items, [257.2](#)
items ordered or shipped in error, [257.1](#)

Excess material

identification of, [623.13](#)

Excess property

Shipping Instruction for Excess Property —
Vehicle (PS Form 7340-A), [Exhibit 633.545](#)
Shipping Instruction for Excess Property (PS
Form 7340), [Exhibit 633.532c\(1\)](#)

Expendable property

definition, [513](#)
sensitive property, [514](#)
transaction file, [553](#)

Expendable records

suspense file, [552](#)

Expense calculation, [566.3](#)

External property transfers, [562.3](#)

F

Facility and activity managers

responsibilities of, [128](#)

Federal agencies

property transfers, [646.1251](#)

FEDSTRIP

codes assignment and maintenance, [137.4](#)
collection equipment orders, [244.813](#)
delivery equipment orders, [244.813](#)
directive orders, [244.811](#)
district material management specialist, [137.2](#)
form orders, [244.811](#)
general office supply orders, [244.811](#)
Issue Release/Receipt Document (GSA Form
1348-1A), [Exhibit 244.821](#)
logistics programs, [137.1](#)
Material Service Center, [137.3](#)
partial shipments, [244.821](#)
receiving orders from GSA/DLA, [244.82](#)
receiving orders from material distribution
center, [244.81](#)
repair part orders, [244.812](#)
reporting order discrepancies, [244.822](#),
[Exhibit 244.822a](#)—[Exhibit 244.822e](#)
special procedures for receiving orders, [244.8](#)

Filing system

expendable property transaction file, [553](#)
loan file, [556](#)
MAO responsibility for, [551](#)

pending verification file, [554](#)
 Post Office Property Record file (PS Form 961-A), [557](#)
 suspense file, [552](#)
 verified capital property file, [555](#)
 Fire prevention, [368.3](#)
 FOB destination
 freight prepaid by supplier, defined, [215.2](#)
 over, short, and damage claims, [252](#)
 redirecting shipments, [221.52](#)
 selection of terms, [232](#)
 FOB origin
 freight billed to USPS, defined, [215.1](#)
 over, short, and damage claims, [253](#)
 redirecting shipments, [221.51](#)
 selection of terms, [232](#)
 Foreign governments
 property donation to, [646.1264](#)
 Formal sales, [646.1224](#)
 Forms
 orders from material distribution center, [244.811](#)
 Free On Board. See [FOB destination](#); [FOB origin](#)
 Free time
 computation for highway TSPs, [236.45](#)
 factors in determining, [236.43](#)
 Freight
 accessibility of, [236.61](#)
 loaded into pup trailers, [236.72](#)
 loading onto more than one pup trailer, [236.73](#)
 Freight Traffic Management System. See also [Freight transportation management](#)
 PSBL documents, [222](#)
 Freight transportation management
 applicability, [212](#)
 definitions, [215](#)
 documentation, [216](#)
 documenting transactions, [22](#)
 issuance authority, [217](#)
 policy, [211](#)
 processing over, short, and damage claims, [25](#)
 purpose, [213](#)
 receiving, [24](#)
 responsibilities, [214](#)
 shipping, [23](#)
 FTMS. See [Freight Traffic Management System](#)

Functional managers
 responsibilities of, [533](#)

G

General Services Administration
 Issue Release/Receipt Document (GSA Form 1348-1A), [Exhibit 244.821](#)
 receiving FEDSTRIP orders from, [244.82](#)
 Glossary, [B](#)
 Government personal property
 Sale of Government Personal Property (GSA Optional Form 16), [Exhibit 647.226d](#)
 Government Property
 Sale of Government Property (GSA Optional Form 15), [Exhibit 647.225b\(2\)](#)

H

Handbook purpose, [111](#)
 Hazardous commodities, [368.2](#)
 Headquarters field units
 inactive inventory reporting, [624.232](#)
 Highway shipments
 computation of TSP free time, [236.45](#)
 guidelines for, [236.44](#)
 loading responsibilities, [236.51](#)
 unloading responsibilities, [242.31](#)
 Historic items
 loans of, [645.152](#)
 receipts from sale, [645.154](#)
 responsibility for care, [645.141](#)
 sale or auction, [645.153](#)
 Historic value, objects of
 definition, [645.13](#)
 preserving, [645.142](#)

I

ID labels
 additions from reclassifications and physical inventories, [574.4](#)
 function of, [574.1](#)
 for new capital property, [574.2](#)
 for other-than-new capital property, [574.3](#)
 Imprinters
 money order imprinters, [646.32](#)
 postage validation imprinter, [646.31](#)
 Inactive equipment, [564](#)

Inactive inventory reporting

Inspection Service items, [624.243](#)
mail transport equipment, [624.244](#)
memorandum reporting, [624.23](#)
methods, [624.2](#)
policy, [624.1](#)
retail vending equipment, [624.242](#)
special equipment reporting, [624.24](#), [Table 624.24](#)
status changes, [624.222](#)
tag reporting, [624.2](#)
USPS forms, [624.221](#)

Inactive material identification

excess material, [623.13](#)
material designation, [623.1](#)
obsolete material, [623.15](#)
oversupply material, [623.11](#)
retention material, [623.12](#)
review procedures, [623.2](#)
surplus material, [623.14](#)

Individual personnel

responsibilities of, [129](#)

Informal sales, [646.1223](#)

Inspection Service

controlled items, recycling and disposal of, [645.2](#)
inactive inventory reporting, [624.243](#)
redistribution of items, [633.443](#)
special approval for disposal of controlled items, [Exhibit 624.243](#)

Installation heads

asset accountability responsibilities, [531](#)
material identification and reporting responsibilities, [622.3](#)

Insurance items, [422.32](#)

Intermodal carriers

loading responsibilities, [236.51](#)
unloading responsibilities, [242.31](#)

Internal property transfers, [562.2](#)

Internal reviews

by material accountability assistants, [541.34](#)
by material accountability officers, [541.28](#)

Inventory management

ABC stratification report, [Exhibit 462.21](#)
backorder management, [423.4](#)
bench stock, [424.3](#)
catalog identification, [422.34](#)
critical items, [422.33](#)

demand-based items, [422.2](#)
due-in management, [423.2](#)
finding requisition frequency, [422.22](#)
insurance items, [422.32](#)
inventory accuracy, [471.31](#)
low/no issues report, [Exhibit 423.34](#)
maintenance inventory support process, [461.2](#), [Exhibit 471.334b](#)
non-stocked issues report, [Exhibit 422.22b](#)
nondemand-based items, [422.3](#)
open local orders report, [Exhibit 423.44b](#)
open orders report, [Exhibit 423.44a](#)
oversupply, [423.3](#)
overview, [421](#), [461.1](#)
pending order report, [Exhibit 423.24b](#)
physical inventory procedures, [462](#)
purpose of, [461](#)
remote location, [424.1](#)
reorder point process, [423.11](#)
reorder report for locally procured reparable items, [Exhibit 423.14b](#)
reorder report for manually procured items, [Exhibit 423.14a](#)
satellite location, [424.2](#)
stock level and location accuracy report, [Exhibit 471.333](#)
stock positioning, [424](#)
stock replenishment, [423.1](#)
stocking decisions, [422](#)
transaction summary report, [Exhibit 422.22a](#)
use of items, [422.35](#)
using demand history, [422.21](#)

Invoice, shipment, [216.13](#)

Issue Release/Receipt Document (GSA Form 1348-1A), [Exhibit 244.821](#)

Item/location cross-reference lists, [355.2](#)

Item Management Teams

Capital Equipment Material Management, [123.2](#)
responsibilities of, [123.1](#)
Supply Material Management, [126.2](#)

L

Labels. See [ID labels](#)

Landfill disposal

costs, [646.1273](#)
policy, [646.1271](#)
procedure, [646.1272](#)

Laptops

recycling and disposal of, [646.10](#)

Less-than-truckload motor shipments

carload and truckload shipments, [236.75](#)

freight loaded into pup trailers, [236.72](#)

loading freight onto more than one pup trailer, [236.73](#)

loading requirements, [236.71](#)

purchase of needed services, [236.74](#)

Letters of designation

for material accountability assistants, [Exhibit 541.32](#)

for material accountability officers, [Exhibit 541.21](#)

Life-cycle management, [133.13](#)

Loading

less-than-truckload motor shipments, [236.71](#)

responsibilities for, [236.5](#)

Loan file, [556](#)

Loans

collection boxes, [646.82](#)

equipment, [563](#)

of historic items, [645.152](#)

Location codes, storage

automated stockrooms, [352.2](#)

design of locator system, [352.1](#)

display of, [353](#)

nonautomated stockrooms, [352.11](#)

Location/inventory discrepancy report, [472.2](#)Locator systems, storage, [351](#)Logistics programs, [137.1](#)Logs, receiving, [244.4](#), [Exhibit 244.4](#)Lost property, [646.1281](#)Low/no issues report, [Exhibit 423.34](#)**M**

Mail processing equipment

recycling and disposal, [646.9](#)

Mail transport equipment

inactive inventory reporting, [624.244](#)

recycling and disposal of, [645.3](#)

redistribution of, [633.441](#)

Maintenance Control Supply Room Inventory Record (PS Form 4783), [Exhibit 633.512](#)

Maintenance inventory support process

continuous improvement cycle, [461.3](#)

overview, [461.2](#)

summary report, [Exhibit 471.334b](#)

Maintenance management employees

responsibilities of, [622.4](#)

Maintenance Repairable Tag (PS Form 7433), [Exhibit 633.213](#)

Managers

Administrative Services/Finance, [536](#)

Capital Equipment Material Management, [123](#)

Cataloging and Technical Data Services, [125.2](#)

facility and activity, [128](#)

Material Service Centers, [125.5](#)

Materials Production and Distribution, [124](#)

National Materials Customer Service, [125.3](#)

National Program Support Group, [125.4](#)

National Supply Management Programs, [125](#)

Supply Management Operations, [122](#)

Supply Material Management, [126](#)

Manual stockrooms

physical inventory procedures, [462.24](#)

MAO. See [Material accountability officers](#)

Material

definition, [113.1](#)

Material accountability assistants

designation considerations, [541.31](#)

designation procedures, [541.32](#)

internal reviews, [541.34](#)

letter of designation, [Exhibit 541.32](#)

responsibilities of, [535](#)

training for, [541.33](#)

Material accountability officers

asset accountability delegation, [541.21](#), [Exhibit 541.21](#)

assigning a backup MAO, [541.22](#)

assignment of, [541](#)

capital property responsibilities, [541.27](#)

depreciation responsibilities, [566.6](#)

filing system responsibilities, [551](#)

first tasks of, [541.24](#)

internal reviews, [541.28](#)

letter of designation, [Exhibit 541.21](#)

material identification and reporting responsibilities, [622.3](#)

physical inventory responsibilities, [541.26](#)

responsibilities of, [532](#)

sensitive property responsibilities, [541.27](#)

subcustody record responsibilities, [541.25](#)

training for, [541.23](#)
 verification responsibilities, [541.26](#)

Material acquisition
 policy, [135.1](#)
 relationship between acquisition and supply, [135.2](#)

Material distribution center
 FEDSTRIP orders from, [244.81](#)
 property return, [633.2](#)

Material identification and reporting
 inactive material identification, [623](#)
 overview of, [621](#)
 report review, [625](#)
 reporting of inactive inventory, [624](#)
 responsibilities for, [622](#)

Material management
 definition, [113.2](#)
 policy, [112](#)

Material management specialists
 inactive inventory reporting, [625.22](#)

Material Recycling and Disposal (PS Form 969), [Exhibit 552.1c](#), [Exhibit 624.221d](#)

Material Service Center
 asset accountability responsibilities, [538](#)
 FEDSTRIP process, [137.3](#)
 manager's responsibilities, [125.5](#)
 material identification and reporting responsibilities, [622.6](#)

Materials Production and Distribution
 manager's responsibilities, [124.1](#)
 operations, [124.2](#)

Mechanization equipment
 inactive inventory reporting, [624.241](#)
 redistribution of, [633.442](#)

Memorabilia
 definition, [645.13](#)

Memorandum reporting
 inactive inventory, [624.23](#)

Military organizations
 property transfers, [646.1252](#)

Money order imprinters, [646.32](#)

Monitors
 recycling and disposal of, [646.10](#)

Motor vehicles
 recycling and disposal of, [645.4](#)
 redistribution of, [633.445](#)

MP&D. See [Materials Production and Distribution](#)

N

National Freight Claim Council, [244.931](#)

National Materials Customer Service
 manager's responsibilities, [125.3](#)

National Program Support Group
 manager's responsibilities, [125.4](#)

National Supply Management Programs
 Cataloging and Technical Data Services
 manager's responsibilities, [125.2](#)
 manager's responsibilities, [125.1](#)
 material identification and reporting responsibilities, [622.7](#)
 Material Service Centers manager's responsibilities, [125.5](#)
 National Materials Customer Service
 manager's responsibilities, [125.3](#)
 National Program Support Group manager's responsibilities, [125.4](#)

Non-stocked issues report, [Exhibit 422.22b](#)

Nonautomated stockrooms, [352.11](#)
 storage processing, [432.32](#)

Nondemand-based items
 catalog identification, [422.34](#)
 critical items, [422.33](#)
 description of, [134.3](#), [422.31](#)
 insurance items, [422.32](#)
 use of, [422.35](#)

Nonprofit organizations
 property donation to, [646.126](#)

Nonstocked material
 storage processing, [432.313](#)

O

Object of historic value
 definition, [645.13](#)

Obsolete material
 identification of, [623.15](#)
 recycling and disposal of, [646.52](#)

Office supplies
 orders from material distribution center, [244.811](#)

Online assistance
 recycling and disposal, [646.1242](#)

Open local orders report, [Exhibit 423.44b](#)

Open orders report, [Exhibit 423.44a](#)

Opened bulk containers
 storage of, [366](#)

Operational hazards, [368.1](#)

Operational personnel
material identification and reporting responsibilities, [622.6](#)

Optimization Report, [423.15](#)

OS&D. See [Over, short, and damage claims](#)

Out of Order (tag) (PS Form 4707), [Exhibit 624.221b](#)

Over, short, and damage claims
claim for loss and damage in transit (PS Form 7343), [Exhibit 255](#)
defective items, [257.2](#)
disposing of material, [256.1](#)
errors, [257](#)
FOB destination, [252](#)
FOB origin, [253](#)
items ordered or shipped in error, [257.1](#)
processing claims by Team Logistics, [255](#)
processing criteria, [251](#)
quality assurance procedures, [258](#)
recovery amounts for claims, [254](#)
replacement of material, [256.2](#)

Oversupply
definition, [423.311](#)
excess material, [423.314](#)
identification of material, [623.11](#)
inactive material identification, [623.11](#)
oversupply material, [423.312](#)
reports, 423.34, [Exhibit 423.34](#)
requirements stack, [Exhibit 423.33](#)
requisitioning objective, [423.32](#)
retention material, [423.313](#)

P

Packaging
return of unserviceable repairables, [443.1](#)
for shipping, [235](#)

Partial shipments, [244.821](#), [Exhibit 244.821](#)

Payment upon delivery, requests for, [244.7](#)

PCFM procedures
logic chart for verification of accounting period change lists, [Exhibit 575.2](#)
overview, [575.1](#)
report, [Exhibit 571.1a](#)
updates to PEAS, [572](#)
verification of entries, [575.2](#)

PEAS. See [Property and equipment accounting system](#)

Pending order report, [Exhibit 423.24b](#)

Pending receipt file, [Exhibit 243.1](#)

Pending verification file, [554](#)

Performance clusters
inactive inventory reporting, [624.231](#)

Performance indicators
automated sites, [472.22](#)
control group counts, [472.12](#)
corrective action, [472](#)
cycle count analysis and recommendations, [471.333](#)
cycle counting, [471.332](#)
discrepancies, [471.331](#)
eMARS sites, [472.21](#)
inventory accuracy, [471.31](#)
location accuracy, [471.32](#)
location/inventory discrepancy report, [472.2](#), [Exhibit 472.21a](#)—[Exhibit 472.21b](#)
measurement methods, [471.33](#)
nonautomated sites, [472.23](#)
policy, [471.2](#)
procedures, [471.3](#), [472.1](#)
purpose of, [471](#)
statistical sampling, [471.334](#), [Exhibit 471.334a](#)

Performance measurement, [1310](#)

Permanently marked material
recycling and disposal of, [646.7](#)

Personal Property
Report of Excess Personal Property (SF 120), [Exhibit 647.251a](#)
Report of Excess Personal Property (Continuation Sheet) (SF 120-A), [Exhibit 647.251b](#)
Sale of Government Personal Property (GSA Optional Form 16), [Exhibit 647.226d](#)
Sale of USPS Personal Property — Bid and Award (PS Form 7348), [Exhibit 647.225c\(1\)](#)
Sale of USPS Personal Property — General Sale Terms and Conditions (PS Form 7348-A), [Exhibit 647.225c\(2\)](#)
Sale of USPS Personal Property — Item Bid Page (PS Form 7348-B), [Exhibit 647.225c\(3\)](#)
Transfer Order — Excess Personal Property (SF 122), [Exhibit 647.251c](#)
Transfer Order — Surplus Personal Property (SF 123), [Exhibit 647.251d](#)

Personnel. See [Responsibilities](#)

Physical inventory

- ABC classification, [462.21](#)
- ABC supplement, [462.23](#)
- adjustment, [462.4](#)
- capital property, [59](#)
- counting, [462.25](#)
- cycle counting, [462.22](#)
- manual stockrooms, [462.24](#)
- material accountability officer responsibilities, [541.26](#)
- Physical Inventory Certification/Adjustments (PS Form 2880), [Exhibit 576.2](#)
- reconciling and researching discrepancies, [462.3](#)

Post office boxes

- donations, [646.53](#)
- sales, [646.54](#)
- serviceable items, [646.51](#)
- unserviceable/obsolete items, [646.52](#)

Post Office Property Record (PS Form 961-A)

- function of, [557](#)
- sample form, [Exhibit 571](#)

Postage meter printing heads

- destruction of, [646.22](#)
- disposal authorization, [646.21](#)

Postage validation imprinters, [646.31](#)

Postal Service

- automated system
 - overview, [521](#)
 - property and equipment accounting system, [522](#)
- loading responsibilities, [236.6](#)
- Sale of USPS Personal Property — Bid and Award (PS Form 7348), [Exhibit 647.225c\(1\)](#)
- Sale of USPS Personal Property — General Sale Terms and Conditions (PS Form 7348-A), [Exhibit 647.225c\(2\)](#)
- Sale of USPS Personal Property — Item Bid Page (PS Form 7348-B), [Exhibit 647.225c\(3\)](#)

Postal Service Bill of Lading

- for canceled shipments, [221.4](#)
- correction notice, [223](#), [Exhibit 223](#)
- document retention, [221.3](#)
- FTMS documents, [222](#)
- function of, [216.11](#)
- instruction letter to vendor, [Exhibit 224](#)
- issuance authority, [217](#)

- register, [221.1](#), [Exhibit 221.1](#)
- requesting, [221.7](#), [Exhibit 221.8](#)
- sample form, [Exhibit 216.1](#)
- vendor compliance with procedures, [224](#)

Printers

- recycling and disposal of, [646.10](#)

Pro freight bill, [216.12](#)

Process analysis, [138.2](#)

Processes

- retail material management, [133.2](#)
- wholesale material management, [133.1](#)

Property and equipment accounting system

- access to, [522.2](#)
- description of, [522.1](#)
- transfers and reassignments information generated in, [Exhibit 552.1b](#)

Property changes for month. See [PCFM procedures](#)

Proprietary items

- recycling and disposal of, [646](#)

Provisioned items, [134.1](#)

PSBL. See [Postal Service Bill of Lading](#)

Public bodies

- property donation to, [646.126](#)

Pup trailers

- loading, [236.72](#), [236.73](#)

Q

Quality assurance procedures, [258](#)

R

Rail shipments

- guidelines for, [236.46](#)
- loading responsibilities, [236.52](#)
- unloading responsibilities, [242.32](#)

Receipt processing

- delivery documentation, [561.2](#)
- overview, [561.1](#)
- receiving, [561.3](#)

Receiving

- concealed damage, [244.93](#)
- damaged or discrepant shipments, [244.92](#)
- designated receiving points, [243](#)
- documentation, [244.9](#)
- Issue Release/Receipt Document (GSA Form 1348-1A), [Exhibit 244.821](#)
- notification to designated personnel, [244.3](#)

- partial shipments, [244.821](#)
- policy, [241](#)
- procedures, [244.1](#)
- procedures for FEDSTRIP orders, [244.8](#)
- process, [242](#)
- receipt control, [244](#)
- receipt to dock/stock, [242.2](#)
- receiving logs, [244.4](#), [Exhibit 244.4](#)
- reporting discrepancies, [244.822](#), [Exhibit 244.822a](#)—[Exhibit 244.822e](#)
- responsibilities for TSP unloading, [242.3](#)
- sequence of events, [242.1](#)
- signatures, [242.2](#)
- stock records, [244](#)
- stockroom pending receipt file, [Exhibit 243.1](#)
- TSP requests for payment upon delivery, [244.7](#)
- validation and processing procedures, [244.5](#)
- Recycling and disposal
 - accidental damage or destruction, [646.1282](#)
 - accountable paper, [646.1](#)
 - announcing and conducting sales, [646.1225](#)
 - antiques and collectibles, [645.1](#)
 - approval and disposition, [642](#)
 - approval and disposition matrix, [Table 642](#)
 - approval for disposal, [645.151](#)
 - assistance, [645.163](#)
 - auctions, [645.153](#)
 - cannibalization for parts, [646.123](#)
 - collection boxes, [646.8](#)
 - computers, laptops, monitors, and printers, [646.10](#)
 - dead letter mail, [646.4](#)
 - destruction, [646.127](#)
 - documentation, [644](#)
 - donation to a state agency, public body, or nonprofit organization, [646.126](#)
 - formal sales, [646.1224](#)
 - imprinters, [646.3](#)
 - informal sales, [646.1223](#)
 - Inspection Service controlled items, [645.2](#), [Exhibit 624.243](#)
 - landfill disposal, [646.127](#)
 - loans of historic items, [645.152](#)
 - lost property, [646.1281](#)
 - mail processing equipment, [646.9](#)
 - mail transport equipment, [645.3](#)
 - Material Recycling and Disposal (PS Form 969), [Exhibit 552.1c](#), [Exhibit 624.221d](#)
 - material requiring special approval, [645](#)
 - methods, [646.12](#)
 - motor vehicles, [645.4](#)
 - payment procedure, [646.1226](#)
 - permanently marked material, [646.7](#)
 - policy, [611.2](#)
 - post office boxes
 - donations, [646.53](#)
 - sales, [646.54](#)
 - serviceable items, [646.51](#)
 - unserviceable/obsolete items, [646.52](#)
 - postage meter printing heads, [646.21](#)
 - priority, [646.11](#)
 - proprietary items requiring special processing, [646](#)
 - recording sales revenue, [646.1227](#)
 - records created after postal reorganization on July 1, 1971, [645.162](#)
 - records created before postal reorganization on July 1, 1971, [645.161](#)
 - release from liability and denial of warranty for sold or donated computer equipment, [Exhibit 646.10](#)
 - Report of Excess Personal Property (SF 120), [Exhibit 647.251a](#)
 - Report of Excess Personal Property (Continuation Sheet) (SF 120-A), [Exhibit 647.251b](#)
 - reporting sales, [646.1227](#)
 - responsibilities, [641](#)
 - restrictions on sales to Postal Service employees, [646.1222](#)
 - retail vending equipment, [646.6](#)
 - sale by Postal Service installation, [646.122](#)
 - sale for recycling, [646.124](#)
 - Sale Government Property (GSA Optional Form 15), [Exhibit 647.225b\(2\)](#)
 - Sale of Government Personal Property (GSA Optional Form 16), [Exhibit 647.226d](#)
 - Sale of USPS Personal Property — Bid and Award (PS Form 7348), [Exhibit 647.225c\(1\)](#)
 - Sale of USPS Personal Property — General Sale Terms and Conditions (PS Form 7348-A), [Exhibit 647.225c\(2\)](#)
 - Sale of USPS Personal Property — Item Bid Page (PS Form 7348-B), [Exhibit 647.225c\(3\)](#)
 - sales, [645.153](#)
 - stolen property, [646.1281](#)

- supervised destruction committee, [643](#)
- trade-in to vendor, [646.121](#)
- Transfer Order — Excess Personal Property (SF 122), [Exhibit 647.251c](#)
- Transfer Order — Surplus Personal Property (SF 123), [Exhibit 647.251d](#)
- transfer to federal agencies, [646.1251](#)
- transfer to military organizations, [646.1252](#)
- Redistribution
 - benefits of, [632](#)
 - definition, [615](#), [631](#)
 - equipment, [633.21](#), [633.22](#), [633.43](#)
 - Maintenance Control Supply Room Inventory Record (PS Form 4783), [Exhibit 633.512](#)
 - maintenance office review of eMARS reports, [633.3](#)
 - Maintenance Repairable Tag (PS Form 7433), [Exhibit 633.213](#)
 - options, [633.1](#)
 - policy, [611.2](#)
 - Postal Service forms used, [616](#)
 - process, [633.432](#)
 - receiving office, [633.434](#)
 - repair parts, [633.21](#), [633.41](#)
 - Request for Funds Transfer (PS Form 7370), [Exhibit 633.63](#)
 - Request for Return Authorization (PS Form 8180), [Exhibit 633.211](#)
 - requesting office, [633.211](#), [633.221](#), [633.411](#), [633.431](#)
 - return procedures, [633.5](#), [Table 633.51](#)
 - return procedures for discrepant order, [633.23](#)
 - return to MDC, [633.2](#)
 - return/transfer processes, [633](#)
 - Shipping Instruction for Excess Property (PS Form 7340), [Exhibit 633.532c\(1\)](#)
 - Shipping Instruction for Excess Property — Vehicle (PS Form 7340-A), [Exhibit 633.545](#)
 - shipping office, [633.433](#)
 - special equipment, [633.44](#)
 - supplies, [633.21](#), [633.42](#)
 - Supply Record (card) (PS Form 1586), [Exhibit 633.52](#)
 - transfer between Postal Service activities, [633.4](#)
- Reorder point process, [423.11](#)
- Reorder report for locally procured reparable items, [Exhibit 423.14b](#)
- Reorder report for manually procured items, [Exhibit 423.14a](#)
- Repair parts
 - orders from material distribution center, [244.812](#)
- Repairable management
 - basic principles, [441](#)
 - credit policy, [444](#)
 - handling procedures, [443.2](#)
 - packaging, [443.1](#)
 - return transportation and handling, [443](#)
 - vending repairables, [442](#)
- Replacement of damaged material, [256.2](#)
- Report of Discrepancy (GSA Standard Form 364), [Exhibit 244.822a—Exhibit 244.822e](#)
- Report of Excess Personal Property (SF 120), [Exhibit 647.251a](#)
- Request for Funds Transfer (PS Form 7370), [Exhibit 633.63](#)
- Request for Return Authorization (PS Form 8180), [Exhibit 633.211](#)
- Requirements stack, [Exhibit 423.33](#)
- Requisition for Supplies, Services, or Equipment (PS Form 7381), [Exhibit 552.1c](#)
- Responsibilities
 - for asset recovery, [614](#)
 - Capital Equipment Material Management manager, [123](#)
 - care of historic items, [645.141](#)
 - Cataloging and Technical Data Services manager, [125.2](#)
 - consignors and consignees, [236.47](#)
 - definition, [511](#)
 - designated receiving points, [243.1](#)
 - district material management specialists, [537](#), [622.5](#)
 - districts, [127](#)
 - facility and activity managers, [128](#)
 - for freight transportation management, [214](#)
 - functional managers, [533](#)
 - general, [12](#)
 - individual personnel, [129](#)
 - installation heads, [531](#)
 - maintenance management employees, [622.4](#)
 - manager of Administrative Services/Finance, [536](#)
 - material accountability assistants, [535](#)
 - material accountability officers, [532](#)

- for material identification and reporting, [622](#)
 - Material Service Centers, [538](#)
 - Material Service Centers manager, [125.5](#)
 - Materials Production and Distribution manager, [124](#)
 - National Materials Customer Service manager, [125.3](#)
 - National Program Support Group manager, [125.4](#)
 - National Supply Management Programs manager, [125](#)
 - operational personnel, [622.2](#)
 - recycling and disposal, [641](#)
 - redistribution, recycling, and disposal, [614](#)
 - space use monitoring, [372](#)
 - storage areas, [361](#)
 - storage space management, [313](#), [361](#), [372.1](#), [385.1](#)
 - supervisory personnel, [534](#)
 - Supply Management Operations manager, [122](#)
 - Supply Management vice president, [121](#)
 - Supply Material Management manager, [126](#)
 - trailer deployment, [385.4](#)
 - for TSP loading, [236.5](#)
 - Retail material management
 - control, [133.22](#)
 - management, [133.21](#)
 - Retail vending equipment
 - disposition of, [646.62](#)
 - inactive inventory reporting, [624.242](#)
 - redistribution of, [633.444](#)
 - reporting inactive equipment, [646.61](#)
 - Retention material
 - identification of, [623.12](#)
 - Return processes. See [Redistribution](#)
 - Review cycles
 - storage space management, [372.2](#)
- S**
- Safety measures
 - for storage areas, [368](#)
 - Sale of Government Personal Property (GSA Optional Form 16), [Exhibit 647.226d](#)
 - Sale of historical items, [645.153](#)
 - Sale of USPS Personal Property — Bid and Award (PS Form 7348), [Exhibit 647.225c\(1\)](#)
 - Sale of USPS Personal Property — General Sale Terms and Conditions (PS Form 7348-A), [Exhibit 647.225c\(2\)](#)
 - Sale of USPS Personal Property — Item Bid Page (PS Form 7348-B), [Exhibit 647.225c\(3\)](#)
 - Salvage or Junk Tag (Form 965), [Exhibit 624.221c](#)
 - Salvaged goods
 - disposing of material, [256.1](#)
 - replacement of material, [256.2](#)
 - San Mateo Accounting Service Center
 - CPL procedures, [576](#)
 - ID labels, [574](#)
 - PCFM/CPL updates to PEAS, [572](#)
 - PCFM procedures, [575](#)
 - verification tools, [571](#)
 - Scheduling outgoing shipments, [236.1](#)
 - Seals, [236.752](#)
 - Security endorsements
 - air cargo shipper's, [236.32](#), [Exhibit 237.32](#)
 - Security measures
 - stockrooms, [434.4](#)
 - storage spaces, [364](#)
 - Sensitive material
 - material accountability officer responsibilities, [541.27](#)
 - storage of, [365](#)
 - Service life, [566.2](#)
 - Serviceable items, [646.51](#)
 - Serviceable Property Tag (Excess) (PS Form 7364), [Exhibit 564](#), [Exhibit 624.221a](#)
 - Services. See [Special equipment and services](#)
 - Shelf-life items, [434.2](#)
 - Shipment invoice, [216.13](#)
 - Shipper's security endorsements, [236.32](#), [Exhibit 237.32](#)
 - Shipping
 - air cargo shipper's security endorsement, [236.32](#), [Exhibit 237.32](#)
 - arranging for special equipment and services, [236.64](#)
 - computation of highway TSP free time, [236.45](#)
 - damage prevention and accessibility, [236.61](#)
 - damaged or discrepant, [244.92](#)
 - demurrage, detention, and storage, [236.4](#)
 - documentation, [236.3](#)
 - free time determination, [236.43](#)
 - guidelines for highway TSP shipments, [236.44](#)

- information and labeling, [236.31](#)
- less-than-truckload motor shipments, [236.7](#)
- modes of shipment, [234](#)
- overloading avoidance, [236.62](#)
- packaging, [235](#)
- policy, [231](#)
- Postal Service obligations, [236.6](#)
- rail, [236.46](#)
- responsibilities for TSP loading, [236.5](#)
- responsibilities of consignors and consignees, [236.47](#)
- selection of FOB origin or destination terms, [232](#)
- shipping requests, [233](#), [Exhibit 234](#)
- staging material, [236.2](#)
- tallying, [236.63](#)
- between two points in the same metropolitan area, [221.8](#)
- Work Record Sheet (PS Form 4805), [Exhibit 235e](#)
- Shipping Instruction for Excess Property (PS Form 7340), [Exhibit 633.532c\(1\)](#)
- Shipping Instruction for Excess Property — Vehicle (PS Form 7340-A), [Exhibit 633.545](#)
- Shipping requests, [221.2](#), [233](#), [Exhibit 234](#)
- Signage
 - storage space management, [Exhibit 351c](#)
- Signatures
 - authority to sign receiving documents, [244.21](#)
 - on TSP's delivery documents, [244.22](#)
- Space management. See [Storage space management](#)
- Special acquisitions
 - methods, [138.1](#)
 - process analysis, [138.2](#)
- Special equipment and services
 - inactive inventory reporting, [624.24](#), [Table 624.24](#)
 - for loading, [236.64](#)
 - for unloading, [243.3](#)
- Staging material, [236.2](#)
- State agencies
 - property donation to, [646.126](#)
- Statistical sampling, [Exhibit 471.334a](#)
- Stock
 - analysis, [451](#)
 - analysis matrix, [Table 451](#)
 - bench stock, [424.3](#)
 - demand-based items, [134.2](#)
 - issuing, [435](#)
 - level and location accuracy report, [Exhibit 471.333](#)
 - maintaining in storage, [434](#)
 - nondemand-based items, [134.3](#)
 - positioning, [424](#)
 - provisioned items, [134.1](#)
 - receiving, maintaining, and issuing, [43](#)
 - in remote stockrooms, [424.1](#)
 - rotation, [434.3](#)
 - in satellite locations, [424.2](#)
 - security, [434.4](#)
 - shelf-life items, [434.2](#)
 - storage location codes, [434.52](#)
 - storage locator system, [434.5](#)
 - tool control, [435.23](#)
- Stock number systems
 - codes explanation, [453.1](#), [Exhibit 453.1](#)
 - cross referencing, [453.2](#)
- Stock records
 - automated activities, [433.2](#)
 - nonautomated activities, [433.3](#)
 - purpose of, [433.1](#)
 - types of automated stock records, [433.4](#)
- Stock replenishment
 - calculations, [423.12](#)
 - importance of careful review, [423.13](#)
 - logic steps, [423.14](#)
 - range and depth, [423.15](#)
 - reorder point process, [423.11](#)
- Stockroom management
 - accountability, [414](#)
 - applicability, [412](#)
 - cataloging, [45](#)
 - inventory, [46](#)
 - managing inventory, [42](#)
 - overview, [411](#)
 - performance indicators, [47](#)
 - receiving, maintaining, and issuing stock, [43](#)
 - references, [413](#)
 - repairable management, [44](#)
 - storage processing, [432](#)
- Stockroom pending receipt file, [Exhibit 243.1](#)
- Stockrooms. See also [Storage space management](#)
 - automated, [352.2](#)
 - layout designs, [Exhibit 351b](#)

- nonautomated, [352.11](#)
- signage, [Exhibit 351c](#)
- Stolen property, [646.1281](#)
- Storage. See also [Demurrage, detention, and storage](#)
 - hazardous commodities, [368.2](#)
 - maintaining stock, [434](#)
 - methods, [322.4](#)
 - opened bulk containers, [366](#)
 - plans, [34](#)
 - processing, [432](#)
- Storage location codes
 - automated systems, [434.522](#)
 - nonautomated systems, [434.521](#)
 - stock, [434.52](#)
- Storage locator system
 - stockrooms, [434.5](#)
- Storage processing
 - automated stockrooms, [432.31](#)
 - eMARS receipts, [432.312](#)
 - nonautomated stockrooms, [432.32](#)
 - nonstocked material, [432.313](#)
 - objectives, [432.1](#)
 - procedures, [432.3](#)
 - validation, [432.2](#)
- Storage space management
 - access to, [367](#)
 - acquiring space, [38](#)
 - activity factors, [323.4](#)
 - assigning material to a storage location, [355](#)
 - automated stockrooms, [352.2](#)
 - capacity factors
 - doors, [323.32](#)
 - floor loads, [323.31](#)
 - loading facilities, [323.33](#)
 - stack-clearance safety regulations, [323.35](#)
 - upright columns, [323.34](#)
 - commodity factors
 - nature of material, [323.21](#)
 - quantity, [323.24](#)
 - size, weight, and shape, [323.22](#)
 - turnover, [323.23](#)
 - consultation, [383](#)
 - effective use of space, [382.4](#)
 - efficiency and economy objectives, [321.1](#)
 - fire prevention, [368.3](#)
 - general requirements, [322.1](#)
 - identifying detailed elements, [384.22](#)
 - item/location cross-reference lists, [355.2](#)
 - location codes display, [353](#)
 - location of storage areas, [322.3](#)
 - location systems, [351](#)
 - locator system design, [352.1](#)
 - mechanization and automation objectives, [321.2](#)
 - monitoring use of space, [372](#)
 - multiple storage locations, [354](#)
 - nonautomated stockrooms, [352.11](#)
 - opened bulk containers, [366](#)
 - operating spaces designation, [33](#)
 - overview of, [311](#)
 - periodic inspections, [363](#)
 - planning and layout, [32](#)
 - planning elements, [322](#)
 - planning layout criteria, [323](#)
 - project review, [382.3](#)
 - purpose of, [312](#)
 - removal of operational hazards, [368.1](#)
 - reporting space usage, [372.3](#)
 - request for assistance, [384.21](#)
 - requester, [384.2](#)
 - requirements approval, [382.1](#)
 - responsibilities, [313](#)
 - responsibility for preservation, security, and safety, [361](#)
 - review and update, [355.1](#)
 - review cycles, [372.2](#)
 - safety measures, [368](#)
 - security measures, [364](#)
 - sensitive material, [365](#)
 - signage, [Exhibit 351c](#)
 - size, [322.2](#)
 - size considerations, [322.2](#)
 - space and service acquisition, [382.2](#)
 - space control and reporting, [371](#)
 - stockroom/warehouse layout designs, [Exhibit 351b](#)
 - storage locator codes, [352](#)
 - storage locator systems, [35](#)
 - storage methods, [322.4](#)
 - storage of hazardous commodities, [368.2](#)
 - storage plans, [34](#)
 - supply management operations, [384.1](#)
 - Supply Record (PS Form 1586), [Exhibit 351a](#)

Index

- trailer use policy, [385](#)
- types of storage aids, [Table 322.4](#)
- Subcustody records
 - establishment, [581](#)
 - MAO responsibility for, [541.25](#)
 - update of, [582](#)
 - verification, [582](#)
- Supervisory personnel
 - responsibilities of, [534](#)
- Supply chain management, [131](#)
- Supply Management
 - vice president's responsibilities, [121](#)
- Supply Management Operations
 - manager's responsibilities, [122](#)
 - material identification and reporting responsibilities, [622.8](#)
 - storage space management, [384.1](#)
- Supply Material Management
 - Item Management Teams, [126.2](#)
 - manager's responsibilities, [126.1](#)
- Supply Record (PS Form 1586), [Exhibit 244.94](#), [Exhibit 351a](#), [Exhibit 633.52](#)
- Supply sources, [136](#)
- Support organization, [132](#)
- Surplus material
 - identification of, [623.14](#)
- Suspense file
 - contents of, [552.1](#)
 - disposition of contents, [552.2](#)

T

- Tag reporting
 - inactive inventory, [624.2](#)
- Tags
 - Out of Order (tag) (PS Form 4707), [Exhibit 624.221b](#)
 - Salvage or Junk Tag (PS Form 965), [Exhibit 624.221c](#)
 - Serviceable Property Tag (Excess) (PS Form 7364), [Exhibit 564](#), [Exhibit 624.221a](#)
- Tally records
 - loading, [236.63](#)
 - unloading, [243.2](#)
- Team Logistics
 - processing OS&D claims, [255](#)
- Theft, [646.1281](#)

- Tool control, [435.23](#)
- Tracing shipments, [221.6](#)
- Trailers
 - acceptable use for storage of materials, [385.2](#)
 - requirements of storage facilities as pertinent to, [385.3](#)
 - responsibility for deployment, [385.4](#)
- Training
 - for material accountability assistants, [541.33](#)
 - for material accountability officers, [541.23](#)
- Transaction summary report, [Exhibit 422.22a](#)
- Transfers
 - authorization, [562.1](#)
 - external transfers, [562.3](#)
 - internal transfers, [562.2](#)
- Transportation. See [Freight transportation management](#)
- Transportation Service Providers. See also [Freight transportation management](#)
 - air carriers, [236.51](#)
 - annotating delivery receipt, [244.6](#)
 - computation of free time, [236.45](#)
 - guidelines for highway shipments, [236.44](#)
 - highway, [236.51](#)
 - inspection of damaged or discrepant shipments, [244.925](#)
 - inspection report, [244.934](#)
 - intermodal, [236.51](#)
 - loading responsibilities, [236.5](#)
 - notification of loss or damage, [244.933](#)
 - railway, [236.51](#)
 - requests for payment upon delivery, [244.7](#)
 - selection for shipment, [221.9](#)
 - signature on delivery documents, [244.22](#)
 - unloading responsibilities, [242.3](#)
- Truckload shipments
 - loading, [236.751](#)
 - seals, [236.752](#)
- TSPs. See [Transportation Service Providers](#)

U

- Unloading
 - responsibilities for, [242.3](#)
- Unsafe condition of shipment, [242.33](#)
- Unserviceable items, [646.52](#)

V

Vehicles

- recycling and disposal of, [645.4](#)
- redistribution of, [633.445](#)

Vending equipment

- inactive inventory reporting, [624.242](#)
- redistribution of, [633.444](#)
- reporting, [646.61](#)
- reporting inactive equipment, [646.61](#)

Vendors

- compliance with PSBL procedures, [224](#), [Exhibit 224](#)

Verification

- of accounting period change lists, logic chart for, [Exhibit 575.2](#)
- material accountability officer responsibilities, [541.26](#)
- subcustody records, [582](#)

Vice president, Supply Management

- responsibilities, [121](#)

W

Warehouses. See also [Storage space management](#)

- layout designs, [Exhibit 351b](#)
- signage, [Exhibit 351c](#)

Wholesale inventory item management, [133.12](#)

Wholesale material management

- life-cycle management, [133.13](#)
- wholesale inventory item management, [133.12](#)
- wholesale supply management operations, [133.11](#)

Work Record Sheet (PS Form 4805), [Exhibit 235e](#)