



General Ledger Accounting and Financial Reporting System

Handbook F-20

December 2004
Transmittal Letter

- A. Explanation.** An important enabling strategy in the Postal Service's *Transformation Plan* is to enhance financial management. The General Ledger Accounting and Financial Reporting System is a comprehensive financial accounting data collection and processing system that provides the Postal Service with reliable and meaningful information for management of the organization. At the beginning of fiscal year 2004, the Postal Service implemented the Oracle General Ledger, which enhanced the system's overall accounting and reporting capabilities.
- B. Purpose.** This is the initial publication of Handbook F-20, *General Ledger Accounting and Financial Reporting System*. The handbook describes the key components and processes of the system, as well as identifies the types of financial reports it generates. The handbook also references selected policy and procedures incorporated within General Ledger Accounting and Financial Reporting System. The handbook helps systems accountants to achieve a comprehensive understanding of the system.
- C. Distribution.** This handbook is being distributed electronically to systems accountants at the accounting service centers.
- D. Availability.** Handbook F-20 is available on the Postal Service PolicyNet Web site.
1. Go to <http://blue.usps.gov>.
 2. Under "Essential Links" in the left-hand column, click on *References*.
 3. Under "Policies" on the right-hand side, click on *PolicyNet*.
 4. Click on *Hbks*.
- E. Comments and Questions.** Address any comments and questions on the content of this handbook to:
- ACCOUNTING
US POSTAL SERVICE
475 L'ENFANT PLAZA SW RM 8831
WASHINGTON DC 20260-5241
- F. Effective Date.** This handbook is effective December 2004.

A handwritten signature in black ink that reads "Lynn Malcolm".

Lynn Malcolm
Acting Vice President
Finance, Controller

Contents

1	Introduction	1
1-1	Purpose	1
1-2	Audience	1
1-3	Organization	2
2	System Overview	3
2-1	Background	3
2-2	System Components	3
2-3	Subledger System Feeds to OGL	4
2-4	Corporate Data Acquisition System	5
2-5	Oracle General Ledger Import	6
2-6	Manual Journal Entry Processing	6
2-6.1	Journal Entry Vehicle Application	7
2-6.2	Journal Approval and Posting	7
2-7	Commitment and Budget Accounting	7
2-8	Month-End and Year-End Close	8
2-9	Financial and Operational Reporting	8
2-10	Key Business Rules, System Reconciliations, and Reports	9
2-10.1	Key Business Rules	9
2-10.1.1	Corporate Data Acquisition System	9
2-10.1.2	Finance Number Control Master	9
2-10.1.3	Maintenance of Oracle Value Sets	10
2-10.1.4	Manually Prepared Journal Entries	10
2-10.1.5	Prior Period Adjustments	10
2-10.1.6	Journal Voucher Transfers	11
2-10.1.7	Suspense Clearing and Other Accounting Routines	11
2-10.1.8	Commitment and Budget Accounting	11
2-10.1.9	Month-End and Year-End Close	12
2-10.1.10	ADM Reports	12
2-10.2	Key System Reconciliations	12
2-10.2.1	Reconciliation Reports	12
2-10.2.2	Other Reports	13
2-10.2.2.1	Standard Reports (Oracle)	13
2-10.2.2.2	Specialized Reports	14
2-10.2.2.3	Oracle Specialized and FSG Reports	16

3	Subledger Systems	17
3-1	Overview	17
3-2	Subledger Systems with Direct Feeds to CDAS	18
3-3	Subledger File Names and Frequency	24
3-4	The Subledger to CDAS Interface Process	25
3-5	CDAS Subledger Errors	25
4	Corporate Data Acquisition System	27
4-1	Overview	27
4-2	Transformation Rules and Validation Processes	28
4-3	CDAS Data Validation and Transformation Process	30
4-4	Finance Number Control Master	31
4-4.1	Overview	31
4-4.2	Creation of Finance Numbers	32
4-4.2.1	Requesting a Finance Number	32
4-4.2.2	Reviewing Requests	32
4-4.2.3	Activating Finance Numbers	33
4-4.2.4	Canceling and Reusing Finance Numbers	33
4-4.3	Maintenance of Finance Numbers	33
4-4.4	Four-Digit Extensions to Finance Numbers	33
4-4.5	Creation and Maintenance of Hierarchies	33
4-4.6	Mass Move Hierarchy Changes	34
4-4.7	Dynamic Creation of Attributes	34
4-4.8	Future Effective Date Changes	35
4-4.9	Audit Trail	35
4-4.10	Lookup Value Maintenance	35
4-4.11	Security and Control	35
4-5	FNCM Interfaces	37
4-6	Other Key Master Data Sources and Codes	37
4-6.1	Installation Master File	37
4-6.2	Edit and Master File	38
4-6.3	Oracle Legacy Account Master File	38
4-6.4	Labor Distribution Code	38
4-6.5	Standard Journal Numbering System	39
4-7	Maintenance	39
4-7.1	Introduction	39
4-7.2	Value and Hierarchy Maintenance Process	40
4-7.2.1	Overview	40
4-7.2.2	Detailed Description	40
4-7.3	Validation and System Access Maintenance Process	44
4-7.3.1	Overview	44

Contents

4-7.3.2	Detailed Description	44
4-7.3.3	Roles Involved	48
5	Oracle General Ledger Import	53
5-1	Overview	53
5-1.1	Journal Import Process	53
5-1.2	Manual Journal Entry Processing	54
5-1.3	Journal Entry Vehicle Application	54
5-1.4	Journal Approval and Posting Process	55
5-1.5	Alerts	55
5-2	Oracle General Ledger Journal Import Process	55
5-2.1	Overview	55
5-2.2	Detailed Description	55
5-2.3	Key Roles	60
5-3	Manual Journal Entry Processing	61
5-3.1	Methods for Manual Journal Entries	61
5-3.2	Overview	63
5-3.3	Detailed Description	63
5-3.3.1	Standard Journal Entry Process	64
5-3.3.2	Recurring Journal Entries	65
5-3.3.3	Adjusting Journal Entries	65
5-3.3.3.1	Prior Period Adjustments	66
5-3.3.3.2	Roles involved in the Manual Journal Entry Process	67
5-3.3.3.3	Journal Entry Report Descriptions	68
5-4	Journal Entry Vehicle	68
5-4.1	Introduction	68
5-4.1.1	Creating Journal Vouchers	69
5-4.1.2	Saving and Submitting Journal Vouchers	69
5-4.1.3	Inquiring About Journal Vouchers	69
5-4.1.4	Reviewing, Editing, Approving and Rejecting Journal Vouchers	69
5-4.1.5	Creating JV Files for CDAS	70
5-4.2	Security and Control Processes	70
5-4.3	Roles and Responsibilities	70
5-4.3.1	JEV User Types and Roles	70
5-4.3.2	JEV Responsibilities	71
5-4.3.2.1	JEV Entry	71
5-4.3.2.2	JEV Approver	72
5-4.3.2.3	JEV Super User	72
5-4.3.2.4	System Administrator	72
5-4.4	JEV Form Access	72
5-4.4.1	JEV Entry Form	73

5-4.4.2	JEV Inquiry Forms	74
5-4.4.3	JEV Approval Form	75
5-4.4.4	JEV Maintenance Forms	75
5-4.5	System Interfaces	76
5-4.6	Journal Approval and Posting	76
5-4.6.1	Introduction	76
5-4.6.2	Overview	77
5-4.6.3	Detailed Description	77
5-4.6.4	Key Roles	80
5-5	Alerts	81
5-5.1	Overview	81
5-5.2	Recipients	82
5-5.3	Roles	82
6	Commitment and Budget Accounting	87
6-1	Introduction	87
6-1.1	Commitment Accounting	87
6-1.2	Budget Accounting	87
6-2	Commitment Accounting Process	88
6-2.1	Overview	88
6-2.2	Detailed Description	88
6-2.3	Commitment Reporting	90
6-3	Budget Accounting Process	90
6-3.1	Introduction	90
6-3.2	Creating the Budget	90
6-3.3	Updating and Storing Budget Information	90
6-3.4	Key Roles	91
7	Month-End and Year-End Close	95
7-1	Overview	95
7-2	Close Schedule	96
7-3	Month-End and Year-End Close Process	97
7-3.1	Overview	97
7-3.2	Detailed Description	97
7-3.3	Suspense Clearing	99
7-3.4	Roles	100
8	Financial and Operational Reporting	103
8-1	Overview	103
8-2	ADM Transfer and Interface Processes	104
8-3	Roles	105

Contents

8-4	Key System Reconciliations	105
8-4.1	Reports	106
8-4.1.1	Standard Reports (Oracle)	106
8-4.1.2	Specialized Reports	107
8-4.1.3	Oracle Specialized and FSG Reports	109
9	Reconciliation Process	111
9-1	Reconciliation Primer	111
9-1.1	Purpose	111
9-1.2	Comparing Balances	111
9-1.3	Identifying Sources of Differences	112
9-1.4	Preparing the Formal Reconciliation	112
9-2	Reconciliation Process	113
9-2.1	Types of Reconciliation	113
9-2.2	Identification of Responsible Individuals	113
9-2.3	Frequency and Work Scheduling	113
9-2.4	ASC Responsibilities	113
9-2.4.1	General Ledger Control Accounts	113
9-2.4.2	Reconciliation Control List	114
9-3	PS Form 3131, Standard Reconciliation of Accounts	114
9-3.1	Policy	114
9-3.2	How to Complete PS Form 3131	115
9-3.3	Reconciliations Not Submitted on PS Form 3131	116
10	Review and Audit Functions	119
10-1	Internal Control Processes	119
10-1.1	Introduction	119
10-1.2	Responsibilities	119
10-2	Controls	120
10-2.1	Segregation of Duties and Functions	120
10-2.1.1	Accounts Receivable	120
10-2.1.2	Cash Receipts	120
10-2.1.3	Accounts Payable	121
10-2.1.3.1	Cash Disbursements	121
10-2.1.3.2	Payroll	121
10-2.1.3.3	Inventories	121
10-2.1.3.4	Electronic Data Processing	122
10-2.2	Asset Control Provisions	122
10-2.2.1	Safeguarding Inventories	122
10-2.2.2	Security of Imprest Funds	122
10-2.2.3	Software Security	123

10-2.2.4	Employee and Office Security	123
10-2.2.5	Other Controls	123
10-2.3	The Audit Function	123
10-2.3.1	Overview	123
10-2.3.2	Internal Audits	124
10-2.3.2.1	Responsibility	124
10-2.3.2.2	Policy and Procedures	124
10-2.3.2.3	Function	124
10-2.3.2.4	Timing of Internal Audit	125
10-2.3.2.5	Adjusting the Books of Accounts	125
10-2.3.2.6	Reviewing Auditor’s Report	125
10-2.3.3	Independent Audits	125
10-2.3.3.1	Requirement	125
10-2.3.3.2	Selecting the Auditor	125
10-2.3.3.3	Conducting the Audit	125
10-2.3.3.4	Function of Independent Auditor	126
10-2.3.3.5	Timing of the Audit	126
10-2.3.3.6	Issuing the Audit Report	126
10-2.3.3.7	Replying to Auditor Recommendations	126
Appendix – Acronyms		129

Exhibits

Exhibit 2-1 General Ledger Accounting and Financial Reporting System	4
Exhibit 4-4.11 User Roles for FNCM Application Version 1	36
Exhibit 4-3 CDAS Data Validation and Transformation Process Flowchart	49
Exhibit 4-4.2 FNCM Process Flowchart	50
Exhibit 4-7.2.1 Flowchart for Value and Hierarchy Maintenance Process	51
Exhibit 4-7.3.1 Flowchart for Validation and System Access Maintenance Process	52
Exhibit 5-4.4.1 JV Entry Form Fields Overview	73
Exhibit 5-2.1 Flowchart for OGL Journal Import Process	83
Exhibit 5-3.2 Flowchart for Manual Journal Entry Process	84
Exhibit 5-4.6.2 Flowchart for Journal Approval Process	85
Exhibit 6-2.1 Flowchart for Commitment Accounting Process	93
Exhibit 7-3.1 Flowchart for Month-End and Year-End Close Processes	101
Exhibit 9-3 PS Form 3131	117

This page intentionally left blank

1 Introduction

Handbook F-20, *General Ledger Accounting and Financial Reporting System*, contains the following information:

- a. An overview of the function and purpose of the General Ledger Accounting and Financial Reporting System.
- b. Descriptions of the key components of the General Ledger Accounting and Financial Reporting system.
- c. A list of the key standard and specialized reports that the system generates.
- d. Descriptions of the commitment accounting and budget accounting processes.
- e. An overview of the month-end and year-end closing processes.
- f. A summary of the Postal Service's financial and operational reporting and reconciliation processes.
- g. Steps that the Postal Service takes to ensure that its financial information is reliable.

The information in this handbook is intended to provide a comprehensive understanding of the General Ledger Accounting and Financial Reporting System.

1-1 Purpose

This handbook describes how the Postal Service accumulates financial accounting data, processes the data through the general ledger, and utilizes the data for financial and operational reporting.

1-2 Audience

This handbook is for Postal Service accounting employees who gather, process, and report financial information and who engage in the economic and qualitative analysis of this information.

1-3 Organization

The organization of this handbook is as follows:

This chapter...	Titled...	Contains...
1	Introduction	The purpose, audience, and organization of the handbook.
2	System Overview	A comprehensive overview of the Postal Service general ledger accounting and financial reporting process. The key business rules, system reconciliations, and reports.
3	Subledger Systems	An overview of the Postal Service subledger accounting systems.
4	Corporate Data Acquisition System	The purpose and use of the Corporate Data Acquisition System and its role in the processing of accounting data. A description of the Finance Number Control Master (FNCM) application.
5	Oracle General Ledger Import	An explanation of the Journal Import process to posting in the general ledger, including the use of the Journal Entry Vehicle.
6	Commitment and Budget Accounting	An explanation of the commitment accounting and the budget accounting processes.
7	Month-End and Year-End Close	A description of the month-end and year-end close processes.
8	Financial and Operational Reporting	A description of the financial and operations reporting capabilities within Oracle General Ledger and the Accounting Data Mart.
9	Reconciliation Process	An explanation of the process and definitions by which reconciliation of general ledger accounts and other financial data are performed.
10	Review and Audit Functions	A list of the actions that the Postal Service takes to ensure that financial information is presented fairly, assets are protected, and the Postal Service adheres to generally accepted accounting principles and proper internal control processes.

2 System Overview

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

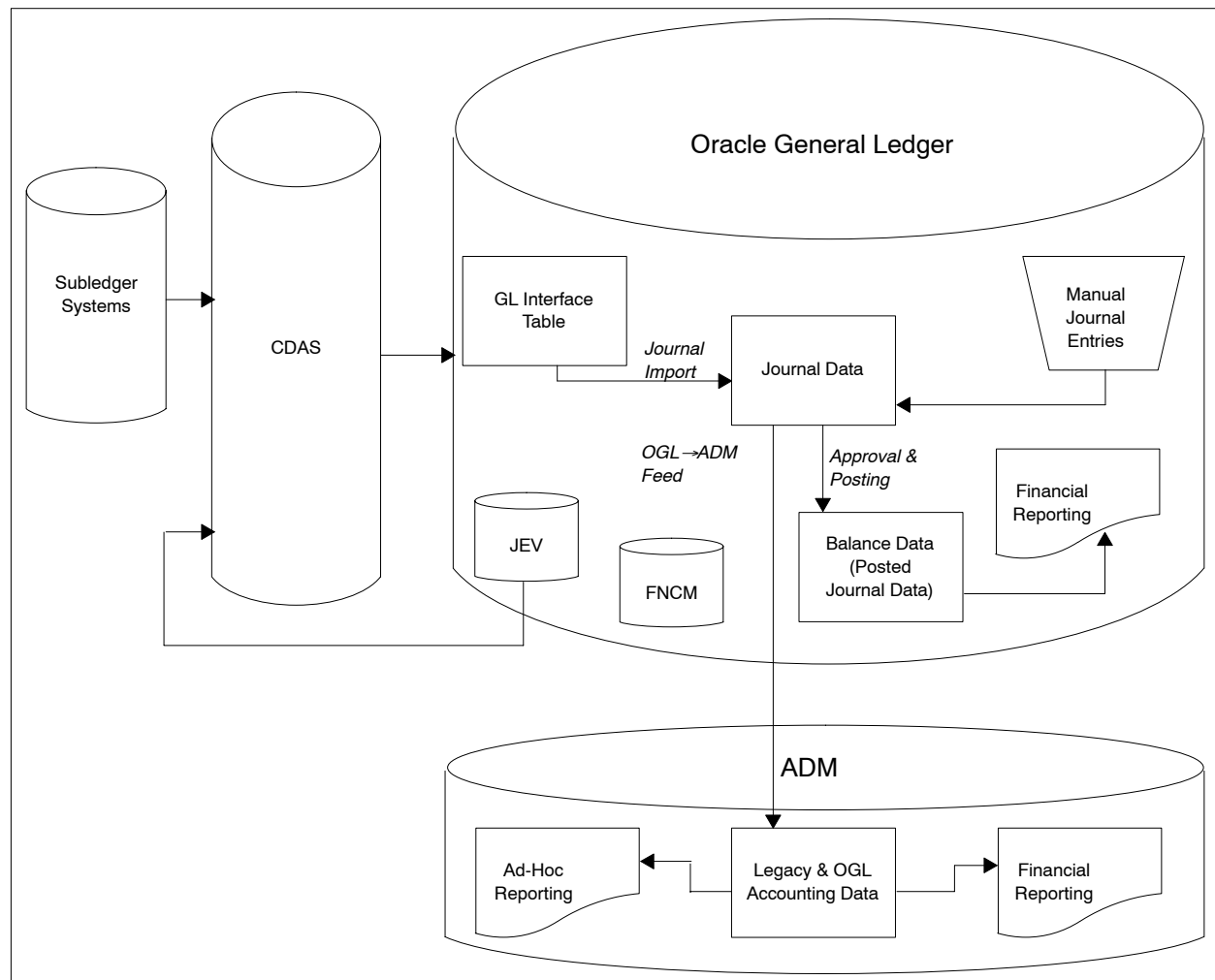
2-1 Background

In 2003, the Postal Service completed Project eaGLe (Excellence in Accounting through the General Ledger). Through Project eaGLe, the Postal Service implemented a new Oracle General Ledger (OGL) component to upgrade the overall Postal Service accounting and reporting system. Within the OGL are two additional key components — the Finance Number Control Master application and the Journal Entry Vehicle application. As a result of the implementation of Oracle General Ledger, many accounting and reporting processes within the Postal Service accounting system were revised to optimize OGL capabilities. This handbook includes descriptions of the key business and technical processes that enable the OGL.

2-2 System Components

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

Exhibit 2-1

General Ledger Accounting and Financial Reporting System

2-3 Subledger System Feeds to OGL

The vast majority of the accounting information processed by the General Ledger Accounting and Financial Reporting System originates from subledger (feeder) systems. The three accounting service centers (ASCs) in Eagan, Minnesota; St. Louis, Missouri; and San Mateo, California; support these subledger systems.

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

A core characteristic of subledger accounting data is use of legacy account numbers, legacy finance numbers, and labor distribution codes (LDCs) to

provide an information structure by which OGL can transform, validate, and process the data.

- a. The *legacy account number* comes from an 8-digit account numbering system that segregates accounting data into the proper legacy accounts within the legacy chart of accounts for processing through the OGL.
- b. The *legacy finance number* is a 6-digit code that correlates the accounting data with the related Post Office installation or Headquarters/management organizations and designated projects.
- c. The *labor distribution code* is a 2-digit code to identify the type of labor performed by the employee. The code is used while payroll data is processed.

2-4 Corporate Data Acquisition System

The General Ledger Accounting and Financial Reporting System uses the Corporate Data Acquisition System (CDAS) to interface the subledger accounting systems with OGL. CDAS loads the subledger files, validates and transforms data in those files, and generates target files which are loaded into the general ledger (GL) Interface Table. The Journal Import process in OGL creates journal entries by importing accounting data from the GL Interface Table which has been populated with data from the various source subledger systems via CDAS. Once the data has been mapped and validated, CDAS initiates the CDAS-to-GL Interface Table process for the data feed.

The mapping process from the legacy account information to OGL accounts is performed within CDAS. OGL utilizes a chart of accounts termed an *accounting flexfield* to transform the data into a format OGL can utilize. The feeder subledger systems generate journal voucher (JV) files needed to generate the required columns in the GL interface table, but will exclude those that can be derived from other sources.

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

The data validations and transformations performed within CDAS derive their master data from various master data sources maintained within OGL. The most prominent of those master data sources is the Finance Number Control Master (FNCM) application, which:

- a. Contains a number of data fields containing organizational information needed to edit and validate accounting data.

- b. Maintains stability and control of the Postal Service financial organization structure.

Other master data sources include the Account Description Master Table, the Standard Journal Voucher Description Master Table, and Edit and Validation (payroll information) Master File, among others.

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

2-5 Oracle General Ledger Import

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

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

Included within the Import, Approval, and Posting process are the use of the Journal Entry Vehicle (JEV) and the processing of other manual journal entries.

Accounting data from CDAS does not affect account balances until it is imported via Journal Import and then posted using an automated posting process (AutoPost) or through manual posting. When a journal is successfully posted in OGL, the journal information for that journal is also transferred to the Accounting Data Mart. If the Journal Import is unsuccessful, the subledger owner whose data was erroneous is responsible for correcting the data and resubmitting it for processing. Alerts, in the form of e-mail messages, are sent to the users and administrators who need to know about failed processes.

2-6 Manual Journal Entry Processing

The General Ledger Accounting and Financial Reporting System includes a process for entering manual accounting journal entries into OGL. There are a number of different approaches to manual journal entry that can be used to process a needed journal entry. The type of activity will determine which manual journal entry approach is to be taken. Certain of the journals are routed through CDAS in order to be subject to the CDAS edit and validation processes. Others are posted directly in OGL after being routed through an approval process. The vehicle by which the data is entered into the ledger is determined by certain factors including the event (e.g., month-end close analysis, error/exception reports) that triggers the need for a journal entry and the type of access the journal entry originator has to the general ledger and its user interfaces.

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

Postal Service field personnel do not have direct access to OGL. Field personnel do have direct access to the JEV — but only for processing journal voucher transfers (JVT).

2-6.1 **Journal Entry Vehicle Application**

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

2-6.2 **Journal Approval and Posting**

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

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

All journals created by the JEV application post automatically after approval and do not have electronic evidence attached to them in OGL. The preparer of the JEV journal entry retains supporting documentation.

2-7 **Commitment and Budget Accounting**

Commitment accounting is a process whereby the Postal Service tracks capital costs and some expenses as they relate to a budget before the actual capital or expense charges appear in the financial statements. Along with providing useful information for internal reporting and cash management, commitment tracking is also a federal reporting requirement for the unified budget of the president of the United States.

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

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

2-8 Month-End and Year-End Close

The Postal Service operates on a calendar month accounting cycle with a government fiscal year end of September 30. The month-end close process is generally a 5-calendar-day process with the year-end process usually extended to allow for additional review and analysis. The transmission of data from subledgers is generally completed within the first 3 days of the closing process. The remaining days are spent analyzing, reconciling, closing the books, and obtaining sign-off.

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

2-9 Financial and Operational Reporting

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

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

The summary data in OGL must always equal the detail data in the ADM. Key reconciliation reports are generated and utilized to ensure that this balance is maintained. The ADM is updated every time interfaced journals

are posted or anytime a topside entry is posted or balance updates occur in OGL. Data in the ADM is available 24 hours a day, 7 days a week, excluding minimal maintenance time. Once journals are posted in OGL, a journal synchronization process transfers the journals to ADM so that OGL and ADM are in sync.

2-10 Key Business Rules, System Reconciliations, and Reports

The General Ledger Accounting and Financial Reporting System utilizes a group of key business rules that provide additional specific operating guidance in select areas. These key business rules promote efficient general ledger system operations. These key business rules are set forth below together with a listing of key system reconciliations and reports that are prominent in the operation of the General Ledger Accounting and Financial Reporting System.

2-10.1 Key Business Rules

2-10.1.1 Corporate Data Acquisition System

Subledger files incorrectly named, formatted, or exceeding the CDAS error threshold of 200 are automatically rejected and require resubmission. The subledger owner whose data was erroneous is responsible for correcting the data and resubmitting the data to CDAS.

Legacy accounts are mapped to Oracle natural accounts; finance numbers are mapped to Oracle budget entities. Legacy accounts and finance numbers will be mapped to the OGL until such time that all systems can be modified to use the same Oracle chart of accounts. Multiple combinations of legacy values may map to the same Oracle account combination.

2-10.1.2 Finance Number Control Master

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

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

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

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

Legacy accounts and finance numbers only reside in the ADM to facilitate management reporting.

2-10.1.3 **Maintenance of Oracle Value Sets**

Maintain Oracle value sets as follows:

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

2-10.1.4 **Manually Prepared Journal Entries**

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

- a. Journal voucher number.
- b. Location (e.g., ASC, Headquarters).
- c. Initials of preparer.
- d. Date entered.

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

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

2-10.1.5 **Prior Period Adjustments**

Prior period adjustments (PPAs) are processed as follows:

- a. PPAs are posted to the general ledger in the accounting month the entry is processed. The PPA must identify a *PPA Date* (the date the entry should have been originally posted) to allow the entry to be

immediately reflected in that period for historical (same period last year) presentation purposes only. *PPAs do not change the presentation of original charges/credits in the PPA month.*

- b. The PPA Date cannot relate to the current month.
- c. Any PPA Date prior to 10-01-2002 will be posted in 10-2002.
- d. PPAs for loan, transfer, and training hours are only processed in OGL during the month of October each year. The current year adjustments processed through the Loan Transfer and Training System (LTATS) are processed monthly in OGL. All prior year adjustments must be processed through LTATS during October of each year.

See the example of PPA in chapter 5 in the discussion of Manual Journal Entry Processing.

2-10.1.6 **Journal Voucher Transfers**

Journal voucher transfers are processed as follows:

- a. Field entries less than \$1,000.00 per line are not allowed.
- b. Field users are categorized by district or area and allowed transfers only within assigned district or area.
- c. Entries to asset and liability accounts are not allowed.

2-10.1.7 **Suspense Clearing and Other Accounting Routines**

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

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

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

Valid finance numbers are required for all revenue (4xxxx) and expense (5xxxx) accounts and for accounts 26121.020, 26121.023, 26123.023, 8xxxx.003 and 8xxxx.007. A default finance number of zero (00-0000) is used for all other accounts.

However, as more Oracle modules are integrated into OGL, a valid finance number other than 00-0000 will be required for selected general ledger accounts.

2-10.1.8 **Commitment and Budget Accounting**

Commitment information is summarized in OGL as follows:

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

Commitment Reporting is performed in the ADM.

2-10.1.9 **Month-End and Year-End Close**

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

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

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

The government set of books closes on September 30. The corporate set of books closes on December 31. All transactions into OGL are made in the government set of books which is consolidated monthly with the corporate set of books.

2-10.1.10 **ADM Reports**

Variance to plan and/or same period last year (SPLY) exceeding 999.9 percent are displayed as plus or minus 999.9 percent.

Example: Variance of 1,000 percent or more will be displayed as plus or minus 999.9 percent.

2-10.2 **Key System Reconciliations**

2-10.2.1 **Reconciliation Reports**

The General Ledger Accounting and Financial Reporting System requires that journal voucher dollar amounts and record counts for the subledger systems (SS), CDAS, OGL and ADM must be equal (e.g., SS = CDAS = OGL = ADM). To facilitate the general ledger accounting system reconciliation process, the Postal Service utilizes the following key reconciliation reports:

- a. *USPS National Reconciliation Report by JV Number (run from OGL).*
Compares account totals in Oracle and ADM by JV number. This report lists JV number accounts and amounts if there are discrepancies between the data in Oracle and the ADM.
- b. *USPS National Reconciliation Report by Account (run from OGL).*
Compares account totals in Oracle and ADM displayed by account number.

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

Other key reconciliation reports that are used to facilitate the system reconciliation process include:

- a. *USPS National Reconciliation Report by Finance Number (run from OGL)*. Compares account totals in Oracle and ADM displayed by Finance Number.
- b. *USPS National Reconciliation Report GL Interface History to ADM by JV (run from OGL)*. Compares ADM with OGL Interface History Table. This report aids reconciliation between ADM and the subledger systems.
- c. *USPS JV Error Report*. Summarizes the input validation errors identified by CDAS that were processed and posted to the suspense account (Account # 23499).
- d. *USPS JV Detail Error Report*. Summarizes the JV files rejected by CDAS that must be resubmitted by the subledger owner.

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

- a. *View Reject File List*. All rejected files will be recorded in this form.
- b. *View GL Interface-Detailed Error Report*. This allows the online monitoring of errors CDAS encounters while it is processing files from the subledgers.
- c. *JV File Control*. Monitors the process of files being sent from CDAS to the GL Interface Table.
- d. *JV Batch Control*. Provides detail pertaining to the transfer status of journal batches between Oracle and ADM.
- e. *GL Interface History*. Provides a user interface to the GL Interface History Table and enables someone not having access to a database query tool to view the contents of that table.

2-10.2.2 Other Reports

There are three types of reports within the General Ledger Accounting and Financial Reporting System as follows:

- a. *Standard*. Oracle data run only from OGL.
- b. *Specialized*. Primarily legacy data run from ADM.
- c. *Financial Statement Generator*. Oracle balances run from OGL.

A listing of the key reports available for each type of report is presented below.

2-10.2.2.1 Standard Reports (Oracle)

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

- a. *Account Analysis Report*. Provides source, category and reference information to be able to trace transactions back to their original source.
- b. *Account Analysis (Subledger Detail) Report*. Provides details of subledger activity that has been posted to general ledger accounts. The

report displays detail amounts for a specific journal source and category.

- c. *Chart of Accounts Inactive Active Account Report.* Provides a list of disabled and expired accounts for a date of interest and an account range. This report displays information to determine why particular accounts are no longer active.
- d. *General Ledger Report.* Provides journal information for tracing each transaction back to its original source. General Ledger prints a separate page for each balancing segment value.
- e. *Journals — General Report.* Provides data contained in each field for journals for manually entered data or data imported to General Ledger from other sources. The information provides information to trace transactions back to the original source.
- f. *Trial Balance — Detail Report.* Provides general ledger actual account balances and activity in detail for balances and activity.

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

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

Other standard Oracle reports are available for specific purposes.

2-10.2.2.2 **Specialized Reports**

Specialized reports available through the ADM are categorized into Corporate Reports and Financial Reports folders within the Shared Report/GL (eaGLe) ADM report database. Corporate Reports are further categorized into National, Accounting Service Center, and Preliminary Report folders. Financial Reports are further categorized into Financial Performance, Labor Utilization and Workhour, and Finance Line/Account Recast folders. Descriptions for each of these reports are available online through the *Shared Reports* tab in the ADM online report database. The key specialized reports are as follows:

- a. Corporate reports.
 - (1) National.
 - (a) National trial balance.
 - National Trial Balance — Salary and Benefits.
 - National Consolidated Object Class.

- (b) Resources on order.
 - Resources on Order Report.
 - Resources on Order Report — Cash Outlay for Capital.
 - Resources on Order Report — Cash Outlay for Capital — Unpaid Assets.
 - Resources on Order Report — Summary.
 - (c) Statement of revenue and expenses.
 - Statement of Revenue and Expenses.
 - Statement of Revenue and Expenses — Summary.
 - (d) Financial performance.
 - Financial Performance Report — Summary.
 - Financial Performance Report — FPR Line.
 - Financial Performance Report — FPR Subline.
 - Financial Performance Report — Workhour.
- (2) Accounting service center.
- (a) Journal Voucher by Date.
 - (b) Journal Voucher.
 - (c) Journal Voucher Summary by Account.
 - (d) Federal Tax Liability Information by Journal Voucher and Pay Period.
 - (e) Fluctuation Analysis.
 - (f) Unused Finance Number.
 - (g) National General Ledger.
- (3) Preliminary reports.
- (a) Preliminary Income Statement.
 - (b) Revenue by Category.
 - (c) Revenue by Source.
 - (d) Field Expense Detail — Personnel Expense.
 - (e) Field Expense Detail — Non Personnel Expense.
 - (f) Field Expense Detail — Total All Expense.
 - (g) Field Workhour Detail — Workhours.
 - (h) Field Workhour Detail — Overtime.
 - (i) Field Workhour Percent.
- a. Financial reports.
- (1) Financial performance.
 - (a) Financial Performance Report — Summary.
 - (b) Financial Performance Report — FPR Line.
 - (c) Financial Performance Report — FPR Subline.
 - (d) Financial Performance Report — Workhour.

- (2) Labor utilization and workhour.
 - (a) Labor Utilization Report — Month.
 - (b) Labor Utilization Report — Year to Date.
 - (c) Labor Utilization Report — National Workhour Report.
- (3) Finance line/account recast.
 - (a) Finance Line — Account Recast — Dollars.
 - (b) Finance Line — Account Recast — Workhours.

2-10.2.2.3 **Oracle Specialized and FSG Reports**

Key Oracle specialized and FSG reports include the following:

- a. *System Reconciliation reports.* See subchapter 8-4, Key System Reconciliations.
- b. *Auditors Balance Sheet Report.* FSG report that rolls up the balance sheet general ledger accounts into summary categories.
- c. *USPS Treasury FACTS Report.* Presents general ledger data compiled to address government reporting requirements.
- d. *USPS Unused Finance Number Report.* Lists unused finance numbers within OGL.

3 Subledger Systems

This chapter briefly describes the key Postal Service subledger accounting systems and processes that collect and process detailed accounting data. This chapter also briefly describes the interface with the Corporate Data Acquisition System (CDAS) that allows the subledger accounting information to be provided to the Oracle General Ledger (OGL). CDAS is discussed in detail in chapter 4.

3-1 Overview

The vast majority of the accounting information processed by the General Ledger Accounting and Financial Reporting System originates from subledger (feeder) systems supported by the three accounting service centers (ASC). Subledger systems accumulate accounting data from the field (individual Post Office installations) along with other source accounting systems. Each of the ASCs is responsible for a number of specific subledger systems. As part of that responsibility, the ASC manages the data flow of each subledger and ensures that the system provides accurate data to the general ledger accounting and financial reporting system.

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

- a. Legacy account number.
- b. Legacy finance number.
- c. Labor distribution code.

The *legacy account number* is assigned from the legacy chart of accounts numbering system. The legacy chart of account numbering system is an 8-digit account numbering system that segregates accounting data into the proper legacy accounts within the legacy chart of accounts for processing through the OGL.

The *legacy finance number* is a 6-digit code that correlates the accounting data with the related Post Office installation (the first 2 digits identify the state and the last 4 digits represent the installation within that state) or Headquarters/management organizations and designated projects.

The *labor distribution code* is a 2-digit code used when payroll data is being processed to identify the type of labor performed by the employee.

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

The data from the subsystems is transferred to CDAS on a schedule reflective of the nature of the underlying data. For example, payroll data from the payroll subledger is transferred to CDAS at each pay period whereas receivable data is transferred to CDAS from the receivable subledger monthly. A subledger to CDAS interface transmits subledger data to CDAS. This activity actually represents a number of separate interfaces, one for each subledger. Normally, these interfaces are automated; however, they may all be run on demand as the need dictates. If the interface process is designated to fix subledger errors noted, then this interface must be initiated manually. The purpose of retransmitting data to CDAS is to replace erroneous data that was deleted from CDAS or from the general ledger (GL) Interface Table before the data is posted in the OGL.

3-2 Subledger Systems with Direct Feeds to CDAS

Certain key subledgers feed directly into CDAS. The following provides a brief description of the subledgers that are direct feeds to CDAS.

Subledger System	Description
Automated Enrollment System (AES)	AES charges back allocations of training costs. It transfers training costs from the Norman, Oklahoma, training center to the respective finance numbers and accounts of the business units that send individuals for training. The Payroll system records the original entries that this system allocates among the various finance numbers.
Accounts Receivable (A/R)	The A/R system accounts for and tracks Postal Service customers and employees and their respective balances owed. Although there is only one A/R system, and Eagan personnel maintain it, the data in it is owned by each of the ASCs.

Subledger System	Description
Philatelic Order Program System (POPS)	The Catalog Orders interface sends journal entries to the general ledger to distribute Internet and catalogue sales revenue among postal centers (finance numbers). Each month, the Kansas City Stamp Fulfillment Services Center sends a file to the Eagan ASC containing sales records. POPS reallocates the sales revenue to the respective Postal Service offices based on ZIP Code.
FEDEX	The FEDEX system allocates revenue received from FedEx for boxes placed in or at Postal Service facilities. The revenue is allocated from a clearing account to the respective Post Offices at which the boxes are located.
Mailing on Line — eCommerce	Mailing on Line is a Web-based mailing service that both internal and external customers of the Postal Service use. The transactions consist of postage and production charges for one or several documents. The transaction charges flow through the Web accounting application eCapabilities (eCAP).
National Meter Accounting & Tracking System (NMATS)	NMATS is part of the Computerized Meter Resetting System (CMRS). CMRS permits users of certain postage meters to reset a meter at the place of business. CMRS employs a postage meter equipped with a specially designed resetting mechanism that operates with a unique user combination.
Official Mail Accounting System (OMAS)	OMAS collects billing data for federal government agencies authorized by law to send mail without prepayment of postage. OMAS customers initially pay based on an annual estimate. Final settlement of actual versus estimated postage is paid at year-end. Post Offices get credit for the revenue and agencies use data from OMAS to monitor their postage costs.
Payroll Payables	Payroll Payables is used to pay employee awards, union dues, charities, state, local, and federal taxes, etc.

Subledger System	Description
Payroll Accrual	Time and attendance systems collect information daily. Actual time and attendance data collected from the end of the last complete pay period in the month to the last calendar day in the month are run through pay calc to create the month-end accrual journal. The accrued expense and payroll liability are validated for reasonableness using a weighted allocation applied to a similar pay period. The payroll accrual is reversed when the actual payroll journal voucher is recorded in the general ledger.
Payroll	The payroll interface sends journals built from multiple systems: <ul style="list-style-type: none"> a. Time and Attendance Collection System (TACS). b. Adjustment Processing System (APS). c. Loan Training and Transfer System (LTATS). These systems record each pay period's payroll expense and withholdings.
Project Cost Tracking System (PCTS)	The PCTS interface creates and sends an allocation journal entry to CDAS. The journal entry allocates Information Technology (IT) project costs for system development to other Postal Service organizations, who are IT customers.
Printed Envelope Program (PEP) System	The PEP interface sends journal entries to the general ledger to distribute printed envelope sales revenue among postal centers for PEP sales to customers. Customers complete order forms and mail them to a Postal Service lockbox at Citibank. Citibank forwards the order forms to the Kansas City Stamp Fulfillment Services (KCSFS) Center. Each month, KCSFS sends a file to the Eagan ASC. POPS reallocates the sales revenue to the respective Postal Service offices based on ZIP Code.
Relocation	Travel expenses for employee moves are processed by an external vendor. An expense file is provided for booking expenses to the general ledger. Journalized payable and expense totals are balanced to a control report.

Subledger System	Description
Standard Accounting For Retail (SAFR)	SAFR collects and reports revenue and expense data related to sales, stamp inventory and miscellaneous disbursements for all Post Offices.
Stamps by Mail	Customers can order postage stamps via the mail using a Stamps by Mail order form. The order form is filled and mailed to a centralized location with each district. This centralized location uses the Stamps by Mail program to access and update the Stamps by Mail system. The <i>Directory of Post Offices</i> file is used to match the ZIP Code to finance number. This file is created quarterly by San Mateo ASC and forwarded to Eagan ASC.
Stamps on Consignment	The Postal Service has a contract with American Bank Note (ABN) to provide stamps on consignment (SOC) sales by way of their agreements with retail outlets nationwide. These retail sites sell postage stamps to customers. When retail sites reorder postage stamp stock from ABN they deposit the funds collected with ABN. ABN wires funds to the Postal Service national account daily and these funds are reconciled and posted to cash accounts. The Eagan ASC reallocates the revenue reported to the appropriate Post Offices based on a file received from ABN with the last month's replenishments. The Eagan ASC reconciles the stamp accountability.
Workers' Compensation	The workers' compensation interface allocates the Postal Service costs for workers' compensation to the respective centers having personnel receiving such benefits. All workers' compensation chargebacks are received from the Department of Labor.

Subledger System	Description
Accounts Payable	<p>The Accounts Payable processes through direct data entry, electronic data interchange, and vendor provided magnetic tape billings. It supports both the San Mateo and St. Louis Accounting Service Centers. Payments are made via paper check and electronic funds transfer (EFT). The Accounts Payable subledger comprises a number of financial activities including:</p> <ul style="list-style-type: none"> a. Air transportation. b. Vehicle hire. c. Rail transportation. d. Travel. e. Highway. f. Contract stations. g. Rents. h. Contract cleaners. i. Claims. j. Uniform allowance.
FEDSTRIP	<p>FEDSTRIP is a General Services Administration (GSA) system used by federal government agencies to process requisitions for supplies and services from GSA. The Postal Service receives a monthly FEDSTRIP file that identifies the finance number to which costs for goods and services are to be charged.</p>
International Accounting System	<p>The International Accounts Branch accrues estimated costs and revenues from mail flows to and from foreign postal administrations (FPAs), performs final settlements with FPAs, adjusts the accrual estimates at time of settlement, and records and pays transportation expenses associated with international mail flows.</p>
GSA Telephone	<p>GSA submits a monthly file that contains telephone services received under the GSA contract. Expense is allocated to the finance number included in the GSA file.</p>
GSA Facility Rental	<p>GSA submits a monthly file that contains facility rental transactions conducted under the GSA contract. Expense is allocated to the finance number included in the GSA file.</p>

Subledger System	Description
Facilities Management System — Windows (FMSWIN)	<p>The FMSWIN application provides Postal Service users with support for real estate acquisition and disposal, project management for new construction or repair and alterations on Postal Service facilities, contract and work order generation and management for Design & Construction and Real Estate related contracts and services, lease management, and tax payment administration.</p> <p>The FMSWIN database provides one of the official records of Postal Service real property holdings. Finance's Real Property Management System, a subsystem of FMSWIN, maintains real property asset valuations for the Postal Service. Facilities, Postal Service Headquarters, area, and district personnel use FMSWIN.</p>
FMSWIN — Lease Payment System	<p>The Lease Payment System (LPS) is the Accounts Payable feeder system for facility lease payments. Lease payment schedules created in FMSWIN are extracted and interface files are generated for creating vendor maintenance and payment requests in Accounts Payable. This system is a scheduled mainframe batch process with no direct user interaction.</p>
FMSWIN — Project Financial System	<p>The Project Financial System (PFS) is the Accounts Payable feeder system for Facilities related building projects. Project funding transactions (e.g., authorizations, commitments, payments, closeouts) created in FMSWIN are extracted and interface files are generated for journal vouchers in the general ledger. In addition, Accounts Payable payment invoice requests are created. Contractors being paid are vendors that have contracts with the Postal Service for new construction, repairs, and alterations to Postal Service owned and leased facilities, or contracts for the purchase of real property (e.g., buildings, land). This system is a scheduled mainframe batch process with no direct user interaction.</p>
Vehicle Maintenance Accounting System (VMAS)	<p>VMAS is the motor vehicle accounting system used to track motor vehicles purchase and sales and associated repairs and maintenance.</p>

Subledger System	Description
Material Distribution Inventory Management System (MDIMS)	MDIMS tracks Postal Service inventory items. It accounts for purchases, usage, disposals, returns and adjustments.
Government Printing Office (GPO) — External	The GPO — External subledger system records the amounts billed by the Government Printing Office for services performed on behalf of the Postal Service.
Property and Equipment Accounting System (PEAS)	PEAS accounts for personal property owned by the Postal Service. It records purchases, transfers, adjustments, disposals, retirements, and depreciation.
National Budget System (NBS)	The Postal Service uses data from several separate subledger systems to build the budget. These systems include FMSWIN, Client Funding Agreement System (CFAS), Corporate Planning System (CPS), and NBS. Budget and budget components are created within the Subledger systems and then consolidated to NBS. NBS creates a file for transmission to CDAS.
Journal Entry Vehicle (JEV)	The JEV application is the primary vehicle for entering manual journal vouchers relating to accounting transactions, accruals, and adjustments (see part 5-1.4 for detailed information about the JEV application).

3-3 Subledger File Names and Frequency

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

The assigned file names are made up of four segments.

This segment...	Contains...
1	a 4-character field that contains the predefined source name.
2	a 20-character name.
3	the date in MMDDYY format.
4	the time of processing in HHMMSS format.

3-4 The Subledger to CDAS Interface Process

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

These interfaces usually are automated. All the interfaces may be run on demand, however, as the need dictates. In general, interfaces that feed CDAS do not have the capability to retransmit data automatically. If the data transmission process is required as a result of subledger errors, then the interface is initiated manually and must use the proper parameters with respect to timeframe. This usually is a retransmission of corrected data. The purpose of retransmitting data to CDAS is to replace erroneous data that was deleted from CDAS or from the GL Interface Table before the data is posted.

3-5 CDAS Subledger Errors

When CDAS receives data from each subledger feed, it performs a number of validations and mappings to each piece of legacy data. An error threshold is established that enables CDAS to determine whether the subledger will be rejected or accepted for transmission to the GL Interface Table.

When invalid data for a subledger exceeds the CDAS error threshold, CDAS does not transmit the data to the GL Interface Table for importing, and the data is deleted. CDAS sends an e-mail notification to the Headquarters and ASC Accounting staff and the appropriate subledger owner that the error threshold for a particular data feed has been exceeded. The nature, content, and intent of this notification is very similar to the alerts performed within OGL (see Chapter 5, Oracle General Ledger Import, for more information on the alerts process within OGL).

The subledger owner whose data was erroneous is responsible for correcting the data. For data that does not exceed the error threshold limits, Oracle functionality allows for the data in error to be corrected in the GL Interface Table using standard forms, though depending on the nature of the error, the preference would be to correct the error in the appropriate source system. If changes are made directly into the GL Interface Table, the subledger owner must change the existing data in its current subledger system to ensure that the subledger data matches the GL Interface Table.

This page intentionally left blank

4 Corporate Data Acquisition System

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

- a. Transformations and validations performed in CDAS.
- b. The Finance Number Control Master application.
- c. Other master data sources.
- d. Maintenance.

4-1 Overview

The General Ledger Accounting and Financial Reporting System uses the Corporate Data Acquisition System (CDAS) to interface the subledger accounting systems with the Oracle General Ledger (OGL). The overall purpose of CDAS is to standardize the Journal Import process from source systems to OGL and the Accounting Data Mart.

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

An *error threshold* (i.e., the maximum number of errors permitted) is established within CDAS to determine whether the data being processed will be allowed to flow through to OGL. The preferred corrective course of action is for the subledger owner to correct the errors in the source system and then resubmit the data to CDAS.

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

In addition to the basic mapping from legacy data to the OGL flexfield segments, CDAS performs other validation and transformations. The data validations and transformations performed within CDAS derive their master data from various master data sources maintained within the OGL.

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

Performing maintenance to support business changes or correcting identified errors affecting the OGL requires approval. Performing the maintenance is followed by additional activities in areas that may be impacted by the maintenance. Communicating the maintenance resolution to appropriate parties is also an important part of the overall maintenance process. Maintenance changes flow automatically to all affected systems using scheduled feeds that minimize “timing” errors in which one element of the accounting system is aware of maintenance changes and others are not.

4-2 Transformation Rules and Validation Processes

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

- a. Validate the journal voucher filename and obtain the journal voucher source.
- b. Validate the format.
- c. Validate the journal voucher number and obtain the journal voucher category.
- d. Validate the accounting date.
- e. Validate the prior period adjustment (PPA) date.
- f. Validate the legacy account number and assign an Oracle natural account number.
- g. Validate the finance number and assign a budget entity.
- h. Validate the labor distribution code (LDC) and assign a function.

The account structure designed within OGL is termed an *accounting flexfield*. The accounting flexfield is comprised of the following segments:

This segment...	Contains...
Legal entity	2 characters
Budget entity	6 characters
Natural account	5 characters
Function	4 characters
Future Use 1	4 characters
Future Use 2	4 characters

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

An error threshold is established within CDAS to determine whether the data being processed will be allowed to flow through to OGL. The error threshold is determined by what is manageable and reevaluated periodically to ensure that it is set at an appropriate level.

If the quantity of errors present in a data feed exceeds the error threshold, CDAS generates a Suspense Mapping Report. In each instance where CDAS is forced to map a legacy account number and finance number to a suspense account, the report reflects the error in legacy account number and finance number, the source system, and the timestamp of when the attempt to map the values was made. This report is available for viewing by Headquarters and ASC staff as well as by subledger owners. The subledger owner is responsible for investigating and resolving any errors. The error threshold check is performed to limit journal errors in files sent to OGL. The corrective course of action is for identified errors to be corrected in the source system and the data resubmitted to CDAS.

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

Numerous mapping and validation files exist in CDAS to support the transformation process. These mapping and validation files enable the OGL to perform its role in the overall accounting system by supplying additional information, providing a way to transform legacy account information to the OGL accounts structure, providing a mechanism for performing edit checks, and other related purposes. The key mapping and validation files together with a brief description of their purpose is described in the following table.

Mapping Validation File Name	Description
gl_budget_versions.csv	Contains data for CDAS to confirm the budget version.
xxgl_jv_number_t.csv	Contains a list of all valid journal voucher numbers.
xxgl_legacy_finance_mapping_t.csv	Validates and maps the 10-digit finance number to a 6-digit oracle budget entity.
gl_period_statuses.csv	Validates what periods are open in the GL.
xxgl_ldc.csv	Validates the labor distribution codes.

Mapping Validation File Name	Description
xxgl_legacy_oracle_mapping.csv	Validates and maps the 8-digit legacy account number to the 5-digit OGL flexfield account number.
xxgl_account_bs_excep_t.csv	Contains a list of balance sheet account numbers that bypass the defaulting of finance number and budget entity to all zeros.
xxgl_ldc_psfr_t.csv	Maps the labor distribution code to the Financial Performance Report (FPR) line number.
xxgl_psfr_oracle_mapping.csv	Maps the Financial Performance Report line number to the oracle account number for the budget file.
xxgl_legacy_account_change_t.csv	Changes the legacy account number before validation.
xxgl_jv_interface_t.csv	Contains a list of valid filenames that the general ledger will accept.
xxgl_legacy_finance_change_t.csv	Contains a list of finance numbers that should be changed before the validation.

4-3 CDAS Data Validation and Transformation Process

Exhibit 4-3 illustrates the data validation and transformation process that is performed by CDAS.

As illustrated in exhibit 4-3 (see page 49), an alert is sent to the subledger staff and the ASC when a file is rejected. The appropriate subledger owner investigates and resolves errors in accordance with established desk procedures. Files are rejected when any of the following are found to be incorrect:

- a. File name.
- b. File layout.
- c. Journal voucher number.
- d. Accounting date.
- e. Prior period date.
- f. Legacy account.
- g. Legacy finance number.
- h. Labor distribution code.

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

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

4-4 Finance Number Control Master

4-4.1 Overview

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

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

The FNCM process includes the following major functional components:

- a. Creating finance numbers.
- b. Maintaining finance numbers.
- c. Creating and maintaining 4-digit extensions.
- d. Creating and maintaining hierarchies.
- e. Realigning finance numbers.
- f. Changing the mass move hierarchy.

4-4.2 **Creation of Finance Numbers**

The approval flow for the creation of a new finance number is illustrated in exhibit 4-4.2 (see page 50).

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

User	Description
Postal Service users and district users	These individuals have the ability to enter a request for new finance numbers within their district.
Finance Number Approval Group	These individuals have the authority to submit new finance numbers for creation and approve the information related to a new finance number request. The Finance Number Approval Group (FNAG) enters requests for new finance numbers into FNCM.
Gatekeeper	The gatekeeper serves as the primary point of contact for finance number creation and maintenance. They are responsible for facilitating and executing the creation of new finance numbers, and maintaining core attributes and hierarchies.
E-mail recipient	These are individuals designated to receive Finance Number Pre-Notification, Notification, and Cancellation Memo e-mail messages.

4-4.2.1 **Requesting a Finance Number**

Anyone interested in establishing a finance number to support tracking and management for their function, including both field and Headquarters personnel, may request the creation of a new finance number. Send requests via e-mail or PS Form 1560, *U.S. Postal Installation Information Update Requirement*, to either the district user or the organization's FNAG representative. Upon completing the data requirements, electronic notification is sent to the gatekeeper.

4-4.2.2 **Reviewing Requests**

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

- a. If the gatekeeper returns the request to the sender with an explanation regarding why it was returned, FNCM action history is updated and a notification generated to the submitter.

- b. If the gatekeeper submits the request for auto-approval, then all internal and external users will receive a notification memo informing them of the activity, and FNCM action history is updated to reflect the auto-approval routing.
- c. If the gatekeeper submits the request for department approval, then all external users will receive a Pre-Notification Memo describing the activity. The workflow system tallies all department responses for the requests.

4-4.2.3 **Activating Finance Numbers**

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

4-4.2.4 **Canceling and Reusing Finance Numbers**

A finance number may not be re-used once it has been approved, but may be cancelled at any point prior to becoming effective (a finance number that has not been approved is in a stand-by status). Stand-by finance numbers that have been cancelled before creation may still be reused after cancellation.

4-4.3 **Maintenance of Finance Numbers**

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

Finance number users are able to change non-core data that they own by utilizing the *Maintain Finance Number Form* or the *Track Finance Number Form*. The process for maintaining non-core attributes does not require gatekeeper approval, which is shown in Exhibit 4-4.2.

4-4.4 **Four-Digit Extensions to Finance Numbers**

The FNCM process includes the creation of 4-digit extensions for the purpose of identifying sub-units within a finance number. For example, Finance Number 16-1542, Unit Number 0013 is a branch for the Chicago Post Office. The process for the creation and maintenance 4-digit extensions is direct. Any FNCM user with access and role responsibility can create or update a 4-digit extension. This process does not require approvals beyond the Post Office manager making the request.

4-4.5 **Creation and Maintenance of Hierarchies**

Hierarchies are maintained to facilitate management reporting and provide the user of financial reporting information the ability to create or change a custom hierarchy to support their business requirements.

The official finance organizational hierarchies of the Postal Service include the following:

- a. Budget authorization (BA).
- b. Finance data control (FDC).
- c. Performance cluster (PFC).
- d. Post Office operations (POO).

The gatekeeper is the only role that is able to create or change an official hierarchy based on direction of Headquarters Accounting and area and district managers.

Under the finance number realignment process, an old finance number is closed and transaction history retained. Realignments take effect on the specified effective date with new transaction data associated with it at that time. This realignment is accomplished through the use of the *Effective Finance Number Unit* attribute, which is associated with every finance number unit in the system. If a finance number has not previously been realigned, the effective finance number will be the same as the finance number. When realignment takes place, the *Effective Finance Number Unit* attribute is updated to reflect the new finance number to which it has been realigned, and the finance number remains the same in order to maintain history.

4-4.6 **Mass Move Hierarchy Changes**

Mass move hierarchy changes provide the capability to update rollups of multiple entities (e.g., FDCs, finance numbers) within the official Finance organization hierarchies. The gatekeeper executes the mass move hierarchy change process. Executing a mass move — rather than a simple hierarchy change using the Maintain Finance Number Hierarchy Form — enables the gatekeeper to move all finance numbers that meet the specified criteria while keeping intact business rules regarding the roll-ups. Headquarters Accounting must approve mass moves prior to execution by the gatekeeper.

4-4.7 **Dynamic Creation of Attributes**

The FNCM application enables the dynamic creation of additional attributes (i.e., without requiring programming or table modifications within constraints established upon setup) for both 6-digit finance numbers and 4-digit extension components. This capability is enabled by Oracle's *descriptive flexfields*, which can be activated by system administrators when a new attribute is required. Descriptive flexfields enable the creation of both global (non-context-sensitive) attributes and context-sensitive attributes.

- a. Global attributes contain information that has the same meaning for all finance numbers or 4 digit extensions regardless of finance number type or unit type (e.g., budget authorization (BA), cost ascertainment grouping (CAG), facility type, payroll bank code, retail unit type, store class).

- b. Context-sensitive attributes can have different meanings based on the finance number type or unit type (e.g., Attribute_1 would have one meaning if the Finance Number Type is Post Office, and another meaning if the Finance Number Type is Plant).

4-4.8 **Future Effective Date Changes**

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

The *Track Finance Number Changes Form* is used to view changes that have been designated to take effect in the future, and the user is also able to cycle back to view a history of changes. The FNCM application executes a background program to activate future effective changes on a nightly basis.

4-4.9 **Audit Trail**

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

4-4.10 **Lookup Value Maintenance**

To help prevent errors during data entry, FNCM users incorporate automatic validation of values that are selected to update attributes. The *JEV Lookup Maintenance Form* allows update and addition of lookup types to the FNCM application. Lookup types are acceptable values for a given field that are listed in dropdown windows. These lookup types are associated with input parameters on user forms. The user can add or remove values from the existing lookup types. They can also remove a lookup type value set all together with this form. These functions meet the lookup type maintenance requirements of the Postal Service FNCM application.

4-4.11 **Security and Control**

Oracle applications responsibilities are used as the primary point of control for system access to the FNCM application. Users are registered by the system administrator and receive a User ID. Once logged in, the user is presented with all responsibilities that they are assigned.

User access to specific forms is controlled by the assigned responsibility. The ability to update specific attributes is based on business ownership, and is controlled by FNCM role-based security. The ability to update the Official

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

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

Exhibit 4-4.11
User Roles for FNCM Application Version 1

FNCM v1	FNCM User Roles / Responsibilities						Oracle Applications			
	FNCM Admin	Super User / Gatekeeper	FNAG	User	RESA (Unit) Gatekeeper	District User	System Admin	DB Admin	App Admin	Workflow Admin
	~2	~2	~25	~10	~5	~200				
Postal Data										
Core Attributes		Add/Edit	Add/Edit (NAcct)		View	View				
Payroll Attributes		Add/Edit	Add/Edit (PR)		View	View				
Operations Attributes		Add/Edit	Add/Edit (OPS)		View	View				
Budget Attributes		Add/Edit	Add/Edit (BUD)		View	View				
RAFA (4-digit) Attributes		Add/Edit	Add/Edit (RAFA)		View	View				
RAFA (4-digit) Extensions		Add/Edit			Add/Edit	Add/Edit (district)				
FNCM Application Privileges										
Maintain User Roles / Departments	X									
Create Roles / Entities	X									
Maintain Lookup Values		X			X (4-digit)					
Request New Finance Number		X	X		X	X				
Create New Finance Number		X								
Maintain FN Attributes		X	X (by Dept)							
Designate Future FN Changes		X	X (by Dept)							
6-Digit Hierarchy										
Create Official Hierarchies		X								
Maintain Official Hierarchies		X								
Maintain Custom Hierarchies		X	X							
4-Digit Hierarchy										
Add Unit Record		X			X	X				
Add Unit Hierarchies		X			X	X				
Maintain Unit Record		X			X	X				
Maintain Unit Hierarchies		X			X	X				
Run Active User / Roles Report	X	X	X		X					
Run FN History Report	X	X	X							
Run Hierarchy Report	X	X	X		X	X				
Run Unit History Report	X	X			X	X				
System Accounts										
Maintain Workflow Process	X						X			X
Grant Application ID							X		X	
Grant Responsibilities	X						X	X	X	
Grant DB Access							X	X		
Grant Unix (Shell)							X	X		

Key:

- RAFA Revenue and Field Accounting
- PR Payroll
- NAcct National Accounting
- BUD Budget
- OPS Operations

4-5 FNCM Interfaces

The FNCM application has one inbound interface. The Gross Revenue System transmits an Advancement and Relegation File to the FNCM application annually, to take effect October 1. This interface reassigns cost ascertainment grouping code values within the FNCM for finance number based on annual revenue.

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

- a. Installation Master File.
- b. Payroll Batch Job Core Data for Edit and Validation File.
- c. Sublocation File.
- d. FNCM All File.
- e. Financial Performance Report Master Extract.
- f. National Meter Accounting and Tracking System (NMATS) Extract.
- g. Small Post Office Reporting Tool (SPORT) Extract.
- h. Standard Field Accounting Unit Revenue Data Access (SURDA) Extract.
- i. Retail Technology Company (RETEK) Extract.

4-6 Other Key Master Data Sources and Codes

In addition to the CDAS Mapping and Validation tables and the Finance Number Control Master file, other master data sources and codes supply important edit and validation information to the accounting process. The following is a brief description of several key data sources and codes.

4-6.1 **Installation Master File**

The Installation Master File (IMF) is an extract of the FNCM Oracle database. It is a flat file that contains about one half of the FNCM data attributes. The purpose of the file is to provide legacy systems, not directly interfaced with FNCM, organizational hierarchy information needed to edit and validate accounting transactions and generate reports. Eventually all IMF functions will reside within the FNCM.

4-6.2 **Edit and Master File**

The Edit and Validation (E&V) Master File is used by the Payroll and Retirement systems. It provides the master reference source of information needed to process, edit, and validate payroll transactions and generate required reports. Data elements in the FNCM, if applicable, are extracted and posted to the Postal Facility Record (Segment 76) of the E&V Master File.

4-6.3 **Oracle Legacy Account Master File**

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

4-6.4 **Labor Distribution Code**

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

Employee LDCs are maintained in the Eagan ASC Employee Master File (EMF).

LDC activity has three levels of responsibility: Headquarters, ASC, and field.

- a. Headquarters determines coding structure, changes, additions, and deletions that require programming.
- b. The ASC maintains listings that identify the Postal Service installation and LDC for each employee by finance number as well as alphabetically.
- c. The field is responsible for assigning correct labor distribution codes and maintaining their validity.

4-6.5 Standard Journal Numbering System

A 4-digit number is used to identify all journal voucher entries. The first digit of the journal voucher number generally identifies the type of transaction, as shown in the table below.

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

The second and third digits of the JV number indicate specific relationships of similar transactions. For example JV 121.0 is related to JV 122.0. The first digit, 1, represents disbursements approved, the second digit, 2, indicates the type of disbursement (in this case payroll) and the third digit, 1 or 2, identifies the pay period of disbursement. A fourth digit, if other than zero, in most cases is used to record adjustments to the recurring standard JV.

Headquarters Accounting determines if a new journal voucher number is to be established. The Eagan ASC updates the JV table that contains the lists all of the valid JV numbers.

4-7 Maintenance

4-7.1 Introduction

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

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

Once the maintenance is complete, additional activities are performed in areas which may be impacted by the maintenance.

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

Hierarchy information is maintained in the following two places in the OGL:

- a. Hierarchies relating to reporting directly out of the OGL is maintained via parent/child relationships in the value sets underlying the segments of the accounting flexfield. Any relationship or hierarchy involving values in the Oracle accounting flexfield are maintained in this manner.
- b. Other hierarchy information — relating to data attributes associated with legacy account values or finance numbers — is maintained in the data attributes associated with the legacy data in the appropriate Account Master table in the OGL.

Maintenance updates are posted to an intranet site where parties may inform themselves of maintenance activity. Finance number and budget entity maintenance is performed in FNCM. Maintenance requests must be communicated in advance of when maintenance is scheduled to be performed in Oracle. Maintenance requests may be in the form of an e-mail message or written communication. All maintenance in Oracle is performed at a single point in the system. Maintenance changes flow through to all affected systems automatically using scheduled feeds. Scheduled maintenance minimizes “timing” errors in which one element of the accounting system is aware of maintenance changes and others are not. All parties that need to be informed of maintenance changes must be proactive in checking the Maintenance Web site.

The following flowcharts and detailed descriptions in the following sections further explain the value and hierarchy maintenance process and the validation and system access maintenance process.

4-7.2 **Value and Hierarchy Maintenance Process**

4-7.2.1 **Overview**

Exhibit 4-7.2.1 (see page 51) contains a flowchart for the value and hierarchy maintenance process.

4-7.2.2 **Detailed Description**

The value and hierarchy maintenance process includes maintenance to Oracle General Ledger accounting flexfield values, legacy data (finance number, account number, and all associated data elements), all hierarchy definitions, and any other mapping or validation maintenance. All value and hierarchy maintenance occurs in the system at the beginning of each month. This is to minimize the impact on end-user system performance.

Furthermore, the majority of maintenance occurs during month-end processing. The steps for the value maintenance process are as follows:

1. Identify Maintenance Requirement

A systems accountant, Headquarters staff, or other authority identifies, mandates, or establishes a requirement to perform maintenance on the system. This maintenance requirement may be the result of any of the following:

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

2. Communicate Maintenance Request

All maintenance requires approval prior to its implementation. Depending on the scope and nature of the maintenance requirement, the person responsible for approving the requirement request differs.

3. Correct Error in Request and Obtain Further Justification

If the request is rejected, the maintenance requestor who submitted the maintenance request for approval reviews the reason for the rejection of that request. Based on the nature of the rejection reason, the requestor either corrects the error made in the request or obtains further documentation to justify the maintenance.

It is also possible for the maintenance requestor to decide that the maintenance is no longer required and terminate the process.

4. Approve Maintenance Request?

All maintenance requests require approval before the maintenance occurs. Depending on the scope and nature of the maintenance requirement, the person responsible for approving the request differs. Approvers review maintenance requests and determines whether the maintenance is justified and appropriate, and either approve or reject the maintenance request based on this assessment. Maintenance request approvers are generally members of Headquarters Accounting staff in the case of maintenance that has a broad impact, such as:

- Maintenance to the following Oracle accounting flexfield segments: legal entity, natural account, function, Future Use 1, Future Use 2.
- Changes to the mapping of legacy accounts to Oracle accounts.

Eagan senior Accounting staff may approve “lesser” maintenance tasks (i.e., those with a less granular scope of impact), such as maintenance to the budget entity Oracle accounting flexfield segment.

5. Communicate Maintenance Request Rejection and Reason

If the maintenance request is rejected, the maintenance approver communicates the fact of rejection as well as a reason for the rejection to the maintenance requestor.

6. Communicate Maintenance Requirement to Implementer

Once the maintenance request has been approved, the maintenance approver communicates the requirement for maintenance to the systems accountant or senior systems accountant in Eagan to perform the maintenance. This generally is in the form of an e-mail message.

7. Which Type of Value Requires Maintenance?

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

- Legacy finance number.
- Legacy account.
- Oracle General Ledger accounting flexfield.

Value maintenance refers to any of the following maintenance activities with respect to the above types:

- Creating a new value.
- Altering of an existing value(s) or “moving” data associated with one value to a new value or to another existing value.
- Disabling of an existing value, either on its own or as a result of “moving.”

Depending on the nature of the maintenance request, multiple activities may be required. For example, in the event of a new Oracle natural account value being created, mapping information from legacy accounts must be changed in order for CDAS to be able to utilize the new Oracle natural account value.

8. Perform Change in Oracle Account Master

Although the primary impact of maintenance to Oracle accounting flexfield values is to the value sets in the general ledger, any changes to the Oracle accounting flexfield values may also require a corresponding change to the Oracle Account Master (OAM) table.

For example, if a value is being disabled in the natural account segment of the accounting flexfield, any mapping information contained in the Oracle Account Master table must be disabled in addition to the value being disabled in the general ledger value set.

9. Perform Change in Oracle Value Set

The primary impact of a maintenance requirement that affects one or more values in the OGL accounting flexfield is to perform maintenance in the value set associated with the affected segment(s).

For example, if the maintenance requires the creation of a new natural account value, a new value would be created in the natural account general ledger value set.

10. Which Segment Requires Change?

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

- Budget Entity, Legal Entity, and Function segments, go to step 12.
- All other segments (natural account, Future Use 1, Future Use 2), go to step 15.

11. Perform Change in FNCM

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

12. Perform Change in Oracle Account Master Table

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

13. Perform Move/Merge in Oracle

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

14. Perform Change in Oracle Budget Entity Table

If maintenance on legacy data affects core data attributes as described earlier, then maintenance also needs to be performed on the Oracle Account Master table. The OAM table contains the core data attributes.

15. Does Maintenance Have Impact on Reporting?

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

16. Perform Maintenance on Affected Report(s)

The systems accountant or senior systems accountant performs maintenance on all reports affected by the value maintenance change.

17. Copy Oracle Account Master to CDAS Account Master

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

- Legacy account number and related data attributes.
- Finance number and related data attributes.

- Corresponding (mapped) Oracle General Ledger accounting flexfield code combination.
- Effective dates.

18. Copy CDAS Account Master to Subledger Account Master

Following the Oracle Account Master-to-CDAS Account Master process described above, another daily process copies the CDAS Account Master to each of the subledger systems. This process provides the following information to CDAS:

- Legacy account number and related data attributes.
- Finance number and related data attributes.
- Effective dates.

19. Post All Maintenance Changes to the Web Site

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

4-7.3 Validation and System Access Maintenance Process

4-7.3.1 Overview

Exhibit 4-7.3.1 (see page 52) contains a flowchart for the value and hierarchy maintenance process.

4-7.3.2 Detailed Description

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

- Oracle General Ledger user ID (login) maintenance (creating User ID's, disabling user ID's, resetting passwords, changing associated *Responsibilities*).
- Responsibility maintenance (creating, disabling, altering access of, changing menus associated with Responsibilities).
- Security rule (also called flexfield security) maintenance (creating, disabling, altering Responsibility assignments).
- Cross-validation rule maintenance (creating, disabling, altering included and excluded value combinations).

All Validation and System Access maintenance occurs in the system during a specific timing window to minimize the impact on end-user system performance. The steps for the validation and system access maintenance process are as follows:

1. Identify Maintenance Requirement

Maintenance requests may be in the form of an e-mail message or written communication. Each person responsible for approving the maintenance

request is responsible for establishing the requirements for a maintenance request within the guidelines defined by Headquarters Accounting staff.

2. Communicate Maintenance Request

All maintenance requires approval prior to its implementation. Depending on the scope and nature of the maintenance requirement, the person responsible for approving the requirement request differs.

3. Correct Error in Request and Obtain Further Justification

If the request is denied, the person who submitted the maintenance request for approval reviews the reason for the rejection of that request. Based on the nature of the rejection reason, the requestor either corrects the error made in the request or obtains further documentation to justify the maintenance.

4. Approve Maintenance Request?

All maintenance requires approval prior to its implementation. Depending on the scope and nature of the maintenance requirement, the person responsible for approving the requirement request differs. Approvers review maintenance requests and determines whether the maintenance is justified and appropriate, and either approve or reject the maintenance request based on this assessment.

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

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

Eagan senior Accounting staff may approve “lesser” maintenance tasks, or those with a less granular scope of impact, that originate from the ASC.

- User ID maintenance.

5. Communicate Maintenance Request Rejection and Reason

If the maintenance request is rejected, the maintenance approver communicates the fact of rejection as well as a reason for the rejection to the maintenance requestor.

6. Communicate Maintenance Requirement to Implementer

Once the maintenance request has been approved, the maintenance approver communicates the requirement for maintenance to the systems accountant or senior systems accountant who will perform the maintenance. This generally is in the form of an e-mail message.

7. What is the Nature/Impact of the Maintenance?

Logging on to the OGL, the Oracle General Ledger system administrator performs the required maintenance in the OGL system. The nature of this activity varies depending on the nature of the maintenance requirement, and encompasses each of the following activities:

- User ID maintenance.
- Responsibility, menu, and profile option maintenance.

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

Depending on which of the above categories the maintenance requirement falls into, the business process proceeds along different paths.

8. Perform Cross-Validation Rule Maintenance

All maintenance on cross-validation rules (CVRs) is performed using the Oracle General Ledger system administrator menu paths in Oracle General Ledger. CVR maintenance includes each of the following tasks:

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

9. Run Cross-Validation Rule Update Program

Cross-validation rules are only applied to validate code combinations in the following circumstances:

- The code combination in a journal that is being validated does not exist in the Oracle General Ledger code combinations table.
- The Cross-Validation Rule Update program is run.

Any change to any cross-validation rules, including the creation of a new CVR, requires the running of the Cross-Validation Rule Update program. This program “reapplies” all CVRs to the code combinations in the code combinations table in Oracle General Ledger. If an existing Accounting Flexfield code combination is found to violate a CVR, the Cross-Validation Rule Update program disables the code combination in the code combinations table.

10. Perform Maintenance on User ID(s)

All maintenance on user IDs is performed using the Oracle General Ledger system administrator menu paths in Oracle General Ledger. User ID maintenance includes each of the following tasks:

- Creating a new user ID.
- Resetting the password of an existing user ID (this task is also performed by the Help Desk and the users as part of the security policy).
- Changing the Responsibilities associated to an existing user ID (e.g., assigning a new Responsibility, disabling existing Responsibility access).
- Disabling of an existing user ID.
- Correcting descriptive information contained in a user ID record (e.g., the associated person’s name).
- Assigning a user ID to an *Employee* record.
- Changing profile options.

11. Perform Maintenance on Responsibility(ies)

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

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

12. Perform Maintenance on Security Rule(s)

Use the GL menu paths in the OGL to perform all maintenance on security rules. Security rule maintenance includes each of the following tasks:

- Creating a new Security Rule.
- Changing any of the following about an existing security rule:
 - Description.
 - Included/excluded values.
 - Segment association.
 - Error message.
- Disabling of an existing security rule.
- Correcting descriptive information contained in a *Security Rule* record (e.g., Description or Name).
- Assigning an existing security rule to Responsibilities.

13. Communicate Maintenance to Appropriate Parties

Once the maintenance has been performed to Responsibilities or security rules, the Oracle General Ledger system administrator posts the description of the maintenance performed to a Maintenance Web site where all interested parties may learn of it and its impact.

14. Inform Maintenance Requestor of Status

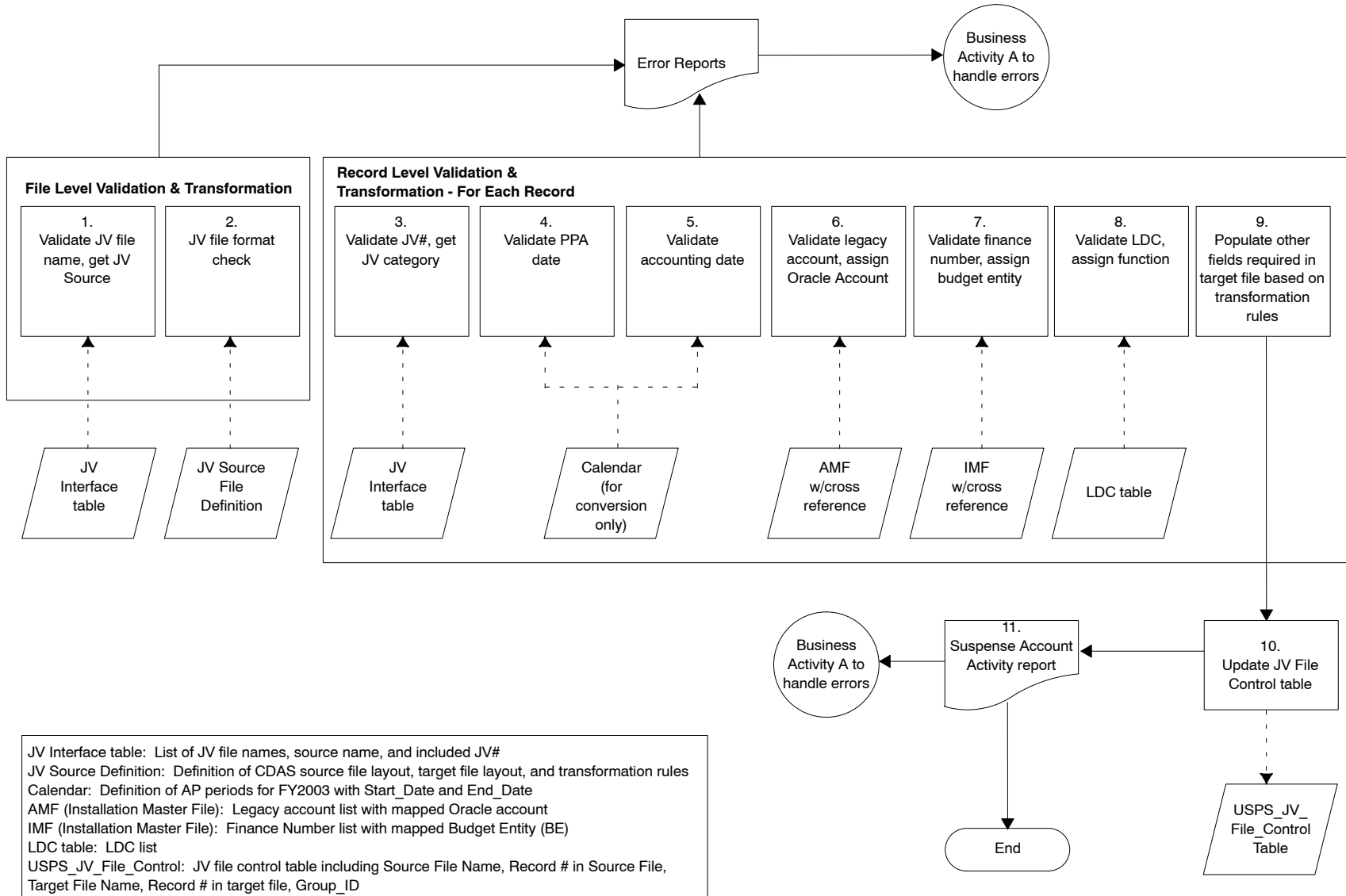
Oracle General Ledger system administrator must inform the Maintenance Requestor of the fact that the maintenance has been performed successfully.

4-7.3.3 **Roles Involved**

The following is a summary description of the primary roles within the maintenance process.

Role Name	Description
Maintenance requestor	<ul style="list-style-type: none"> ■ Identifies maintenance requirements and requests approval of the requirement from the maintenance approver. ■ Generates supporting documentation and justification for all maintenance requests. ■ Follows up with the maintenance approver to ensure that maintenance requests are handled in a timely fashion. <p>Generally, this individual is a member of the Headquarters Accounting staff.</p>
Maintenance approver	<ul style="list-style-type: none"> ■ Reviews all maintenance requests and assesses their impact and appropriateness. ■ Responds in a timely fashion to all maintenance requests with approvals or rejections. ■ Accompanies all rejections with a detailed description of the reason for the rejection. ■ Forwards all approved maintenance requests to the Oracle General Ledger system administrator. <p>Generally, the supervisor of the maintenance requestor in each maintenance request case fulfills this role.</p>
Oracle General Ledger system administrator	<ul style="list-style-type: none"> ■ Implements all approved maintenance requests in Oracle General Ledger. ■ Ensures communication of that maintenance once it has been performed. <p>Generally, this individual is a member of the ASC Accounting staff.</p>
Systems accountant and senior systems accountant	<ul style="list-style-type: none"> ■ Implements all approved value maintenance requests in Oracle General Ledger. ■ Ensures communication of that maintenance once it has been performed. <p>Generally, this individual is a member of the ASC Accounting staff.</p>

Exhibit 4-3
CDAS Data Validation and Transformation Process Flowchart



JV Interface table: List of JV file names, source name, and included JV#
 JV Source Definition: Definition of CDAS source file layout, target file layout, and transformation rules
 Calendar: Definition of AP periods for FY2003 with Start_Date and End_Date
 AMF (Installation Master File): Legacy account list with mapped Oracle account
 IMF (Installation Master File): Finance Number list with mapped Budget Entity (BE)
 LDC table: LDC list
 USPS_JV_File_Control: JV file control table including Source File Name, Record # in Source File, Target File Name, Record # in target file, Group_ID

FNCM Process Flowchart

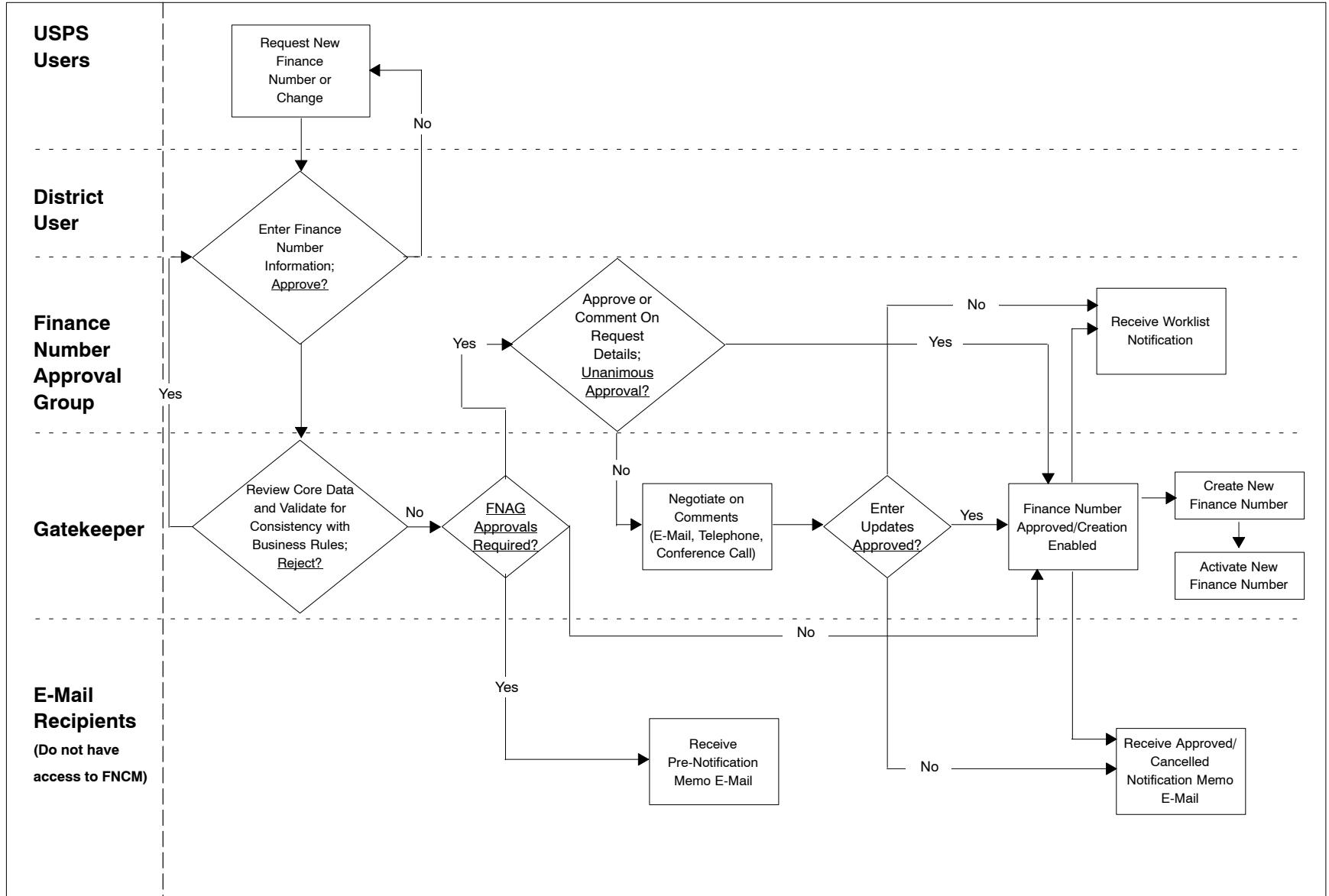
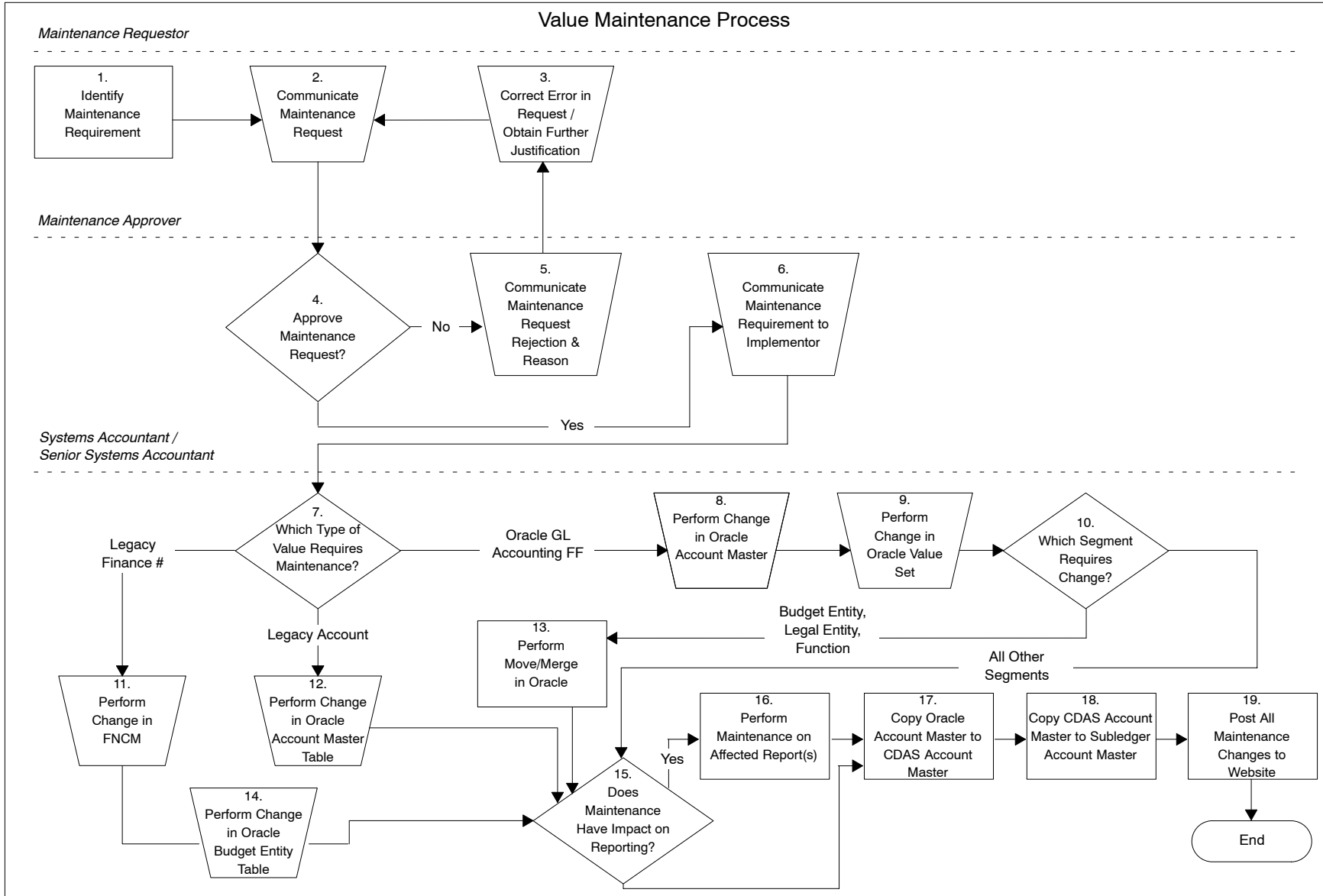
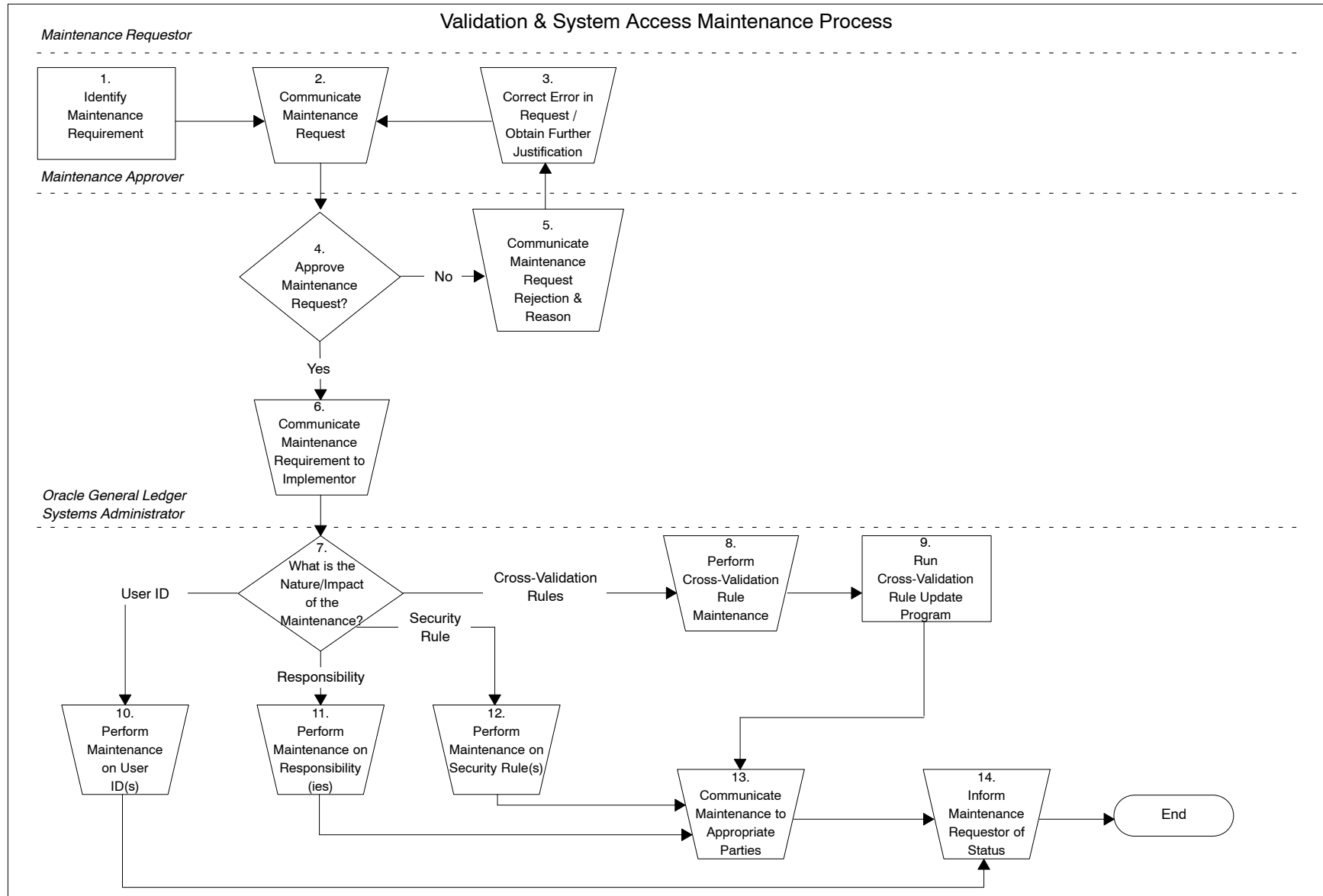


Exhibit 4-7.2.1
Flowchart for Value and Hierarchy Maintenance Process



Flowchart for Validation and System Access Maintenance Process



5 Oracle General Ledger Import

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

- a. Journal Import process.
- b. Manual journal entry processing.
- c. Journal Entry Vehicle (JEV) application.
- d. Journal approval and posting.
- e. Alerts process.

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

5-1 Overview

5-1.1 Journal Import Process

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

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

Alerts are provided to appropriate individuals when Journal Import fails. This process is designed to speed up reaction time to resolving errors. Subledger

owners must consistently monitor error reports to ensure that errors detected are corrected timely.

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

5-1.2 **Manual Journal Entry Processing**

The General Ledger Accounting and Financial Reporting System includes a process for entering manual accounting journal entries into OGL. There are a number of different manual journal entry approaches that can be used to process a manual journal entry. The type of activity will define which manual journal entry approach is to be taken. Certain of the journal entry vehicles are routed through CDAS in order to be subject to the CDAS edit and validation processes. Others are posted directly in OGL after being routed through an approval process.

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

Postal Service field personnel do not have direct access to OGL. Field personnel have direct access to the JEV application — but only for the purpose of processing journal voucher transfers (JVT).

5-1.3 **Journal Entry Vehicle Application**

The Journal Entry Vehicle (JEV) application provides a method for entering journal voucher data into the General Ledger Accounting and Financial Reporting System. The application allows users to create, save, edit and approve or reject manual journal vouchers using legacy account numbers and finance numbers. The JEV application creates a file containing journal voucher data and makes this data available for CDAS to retrieve. CDAS validates the contents of the journal voucher, maps the accounting data to the OGL chart of accounts, and feeds the data to the OGL. Each of the processes is facilitated by Web-based user forms.

The JEV application conducts various types of validation and prevents vouchers that do not pass the validation requirements from being saved or submitted for approval. A select group of users from the Eagan Accounting Service Center have the authority to review, edit, and either approve or reject journal vouchers.

- a. If approved, the journal voucher is flagged as being ready to feed to CDAS.
- b. Rejected journal vouchers remain in the JEV application for auditing purposes, but are not fed to CDAS. When Approvers reject a journal voucher, they notify the creator of the journal voucher.

The JEV application creates a daily file containing all approved journal vouchers that have not been sent to CDAS.

5-1.4 **Journal Approval and Posting Process**

The Postal Service utilizes the Journal Approval and Posting process to ensure that all journals imported into Oracle General Ledger are approved for posting.

The journal approval system maintains an audit trail capturing the names of the journal preparer, journal reviser, and journal poster. The system forces the journal approver/poster to review credit/debit and control totals prior to posting. The system provides the journal approver/poster the opportunity to review all journals in detail prior to posting. It also allows a journal approver/poster to correct identified errors in ready-to-post journals immediately.

All journals created by the Journal Entry Vehicle post automatically after approval and do not have electronic evidence attached to them in OGL. Supporting documentation is required to be maintained by the originator of the journal entry at the source of the journal preparation.

5-1.5 **Alerts**

The OGL provides for a system of alerts to be used to facilitate the resolution of errors identified by those alerts. The alerts process allows for a greater degree of control around what data makes it into the OGL and the extent to which erroneous data may be corrected prior to doing so. The process requires a high degree of intervention and correction of erroneous data on the part of subledger process owners. Notifications, in the form of e-mail messages, are distributed to all people who need to know about failed processes.

5-2 **Oracle General Ledger Journal Import Process**

5-2.1 **Overview**

Exhibit 5-2.1 (see page 83) contains a flowchart of the OGL Journal Import Process.

5-2.2 **Detailed Description**

The steps for journal import process are as follows:

1. Subledger-to-CDAS Interface

This interface transmits subledger data to CDAS. This activity actually involves one interface for each subledger, which all run according to different schedules. Generally, these interfaces are automated. However, they may all be run on demand as need dictates. Generally, interfaces that feed CDAS do

not have the capability to retransmit data, or to transmit historical data within a certain timeframe.

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

2. CDAS Validates Subledger Data

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

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

3. Generate CDAS Suspense Mapping Report

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

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

4. Do the Errors Exceed the Threshold?

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

5. Send Notification to Subledger Owner

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

6. Reject Error Threshold-Exceeding Subledger Feed Data

If a subledger feed's data exceeds the CDAS error threshold, then that feed may not proceed any farther into OGL. CDAS will not transmit the data to the GL Interface Table for importing, and the data will be deleted. The corrective course of action is for the errors to be corrected in the source system and the data resubmitted to CDAS.

7. CDAS-to-GL Interface

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

8. Journal Import

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

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

9. Does Journal Import Encounter Validation Errors?

When finished, the Journal Import process displays the status of the import attempt. If successful, the output contains only a message that affirms the success. If unsuccessful, the report contains details about each piece of accounting data that caused failure, including the values the GL Interface table contained, and what errors Oracle identified. For example, if three journals were out of balance and two journals contained invalid accounting flexfield code combinations, then the Journal Import output report would contain five separate descriptions of errors. The Journal Import process could fail as a result of any of the following example conditions:

- *Maintenance timing.* A value that one of the journal lines used by data in the GL interface table was disabled or end-dated in between the CDAS Validation process (step 7) and when the Journal Import process was run.
- *Invalid/not open period.* The accounting period of the journal is invalid, has not been created yet, or has been closed.
- *Cross-validation rule violation.* The combination of accounting Flexfield segment values is not allowed by one or more cross-validation rules.
- *Security rule violation.* The value used in one or more segments of an accounting flexfield code combination is not allowed by one or more security rules. Security rules are assigned to Responsibilities. Each interface to the GL Interface Table may be assigned a Responsibility by the interface designers.
- The Accounting Flexfield Code Combination has been disabled for any reason.

10. Journal Import Alert

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

11. Generate Journal Detail Report

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

12. Delete Entries from the GL Interface Table

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

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

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

14. Are There Master Data Errors?

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

- *Legacy value errors.* Maintenance has been performed to one or more values that the subledger system transmitted to CDAS. The timing of this maintenance with respect to the transmission of the data in question is such that at the time of sending, OGL and CDAS were aware of the change or error, but not the subledger. In this case, the Account Master information needs to be resynchronized between OGL and CDAS, and immediately after this is complete, the Account Master information needs to be resynchronized between CDAS and the subledger. Then, when the data is retransmitted from the subledger, it should be valid in both CDAS and the OGL.
- *Legacy mapping errors.* Maintenance has been performed on the mapping table in OGL but this change has not been synchronized with CDAS. The nature of the change is such that the value(s) contained in the data transmission in question were acceptable under the old mapping rules, but no longer apply under the new mapping rules. This type of error can be resolved by synchronizing the mapping information between OGL and CDAS and retransmitting the data.

15. Correct Issue in Oracle General Ledger

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

16. Restart Post-CDAS Data File

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

17. Can Subledger Retransmit Data Prior to Period Close?

Some subledgers are not capable of retransmitting their data feed to CDAS; in addition, some subledgers are not capable of transmitting data feeds outside of a certain frequency. If the subledger owner maintains a subledger that is capable of retransmitting its data feed based on timestamp parameters and prior to the period close, proceed to step 20. If the subledger lacks this capability, proceed to step 19.

18. Reverse JV

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

19. Correct Subledger Errors

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

20. Are There Data Mapping Errors?

Legacy value errors require synchronization not only between OGL and CDAS, but also synchronization between CDAS and the subledger immediately following. If there are legacy value errors present in the GL Interface Table, then proceed to step 23.

21. Correct Issue in Mapping Forms

The nature of the error involved requires updating the Mapping Forms accessible from OGL. The subledger owner enters OGL and corrects the data mapping errors as appropriate.

22. Restart Pre-CDAS Data File

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

23. Create Correcting JEV Journals

In the event that the error in question is on a data feed from a subledger, the subledger owner must create manual journal entries using the Journal Entry Vehicle (JEV) application. These journals will flow through CDAS just like any other subledger.

24. Correct Errors in Subledger

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

25. Reverse Correcting JEV Journal(s)

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

5-2.3 Key Roles

The following are the key roles involved in the Journal Import process.

Role Name	Role Description
Subledger owner	<ul style="list-style-type: none"> ■ Corrects GL interface table errors. ■ Handles retransmission of subledger data and communicates errors to those affected by broader impact of error resolution changes. ■ Corrects subledger errors. ■ Reviews journal detail report. ■ Ensures that datafile extracts occur on a periodic basis. These datafiles must be validated at the subledger level to ensure all data is correct and accurate. ■ Ensures that each subledger is capable of generating retransmissions on demand.
General Ledger administrator	<ul style="list-style-type: none"> ■ Maintains AutoImport¹ and AutoPost² schedules and configuration.

¹ The AutoImport program automatically and periodically transfers journal information from the GL Interface Table to OGL, where the information becomes journals. This program automatically imports all interfaced journal data from subledgers.

² The AutoPost program automatically and periodically posts eligible journals. With respect to the Journal Approval process, it is important to note that all journals that are not manually created within OGL will be posted automatically by the AutoPost program.

5-3 Manual Journal Entry Processing

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

5-3.1 Methods for Manual Journal Entries

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

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

The manual journal entry process begins with the need to capture financial information in the general ledger, or the transpiration of a business activity. There are a number of different manual journal entry approaches that can be used to process a manual journal entry. The type of activity will define which manual journal entry approach is to be taken. The following table maps the method of manual journal entry to the vehicle by which it is entered into OGL.

Journal Type	Method of Manual Journal Entry	Definition
Standard Journal Entry (post-CDAS)	Manual Journal Entry made through Oracle form	Top-side journal entries initiated by Headquarters or an ASC, automatically reversing journals, month-end accruals.
Standard Journal Entry (pre-CDAS)	JEV Function	A journal entry that is not considered a top-side journal entry (e.g., Adjustments). This journal is made pre-CDAS and subjected to CDAS validation. These journals are typically reclassification entries.
Recurring Journal Entry	Manual Journal Entry made through Oracle form	Journal entries that have the same accounts and or amounts, and reoccur from month to month.
Adjusting Journal Entry (post-CDAS)	Manual Journal Entry made through Oracle form	Top-side journal entry, Automatically Reversing Journals, Month-end Accruals that automatically reverse.
Adjusting Journal Entry (pre-CDAS)	JEV Function (includes JV Entry Forms forwarded to JEV function)	Journal entry made by Postal Service personnel that is not considered a top-side journal entry and is necessitated by processes outside of the national month-end process (e.g., reclassification entries). This journal is made pre-CDAS and subjected to CDAS validation.

As discussed above, the journal entry process approach is defined by the business activity that initiates a journal transaction which is to be subsequently captured in the general ledger. Subledger system information is fed from the subsystems through CDAS and into the OGL and the ADM at time of posting. Manual general accounting transactions are handled manually and may include standard, statistical, recurring, and reversing entries. These journals can be entered into OGL through direct access to Oracle forms and the JEV application. Direct entry through an Oracle form occurs post CDAS, and entry through USPS JEV function occurs pre-CDAS and moves through the process to OGL just as an imported journal moves through the process.

Postal Service field personnel do not have direct access to OGL. Field personnel have direct access to the JEV application — but only for the purpose of processing journal voucher transfers (JVT).

Top-side adjustments are made directly to OGL using Oracle forms. Reclass entries and *prior period adjustments* are made pre-CDAS. This approach increases the validation that a journal entry goes through before it reaches the general ledger. True corporate (top-side) and ASC journal entries, not a result of a processing error, are processed as manual entries directly entered into OGL.

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

- a. Event that triggers journal entry (e.g., month-end analysis, error/exception reports).
- b. Type of access journal entry originator has to the general ledger and its user interfaces.

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

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

- a. *JV number*. The existing USPS number assigned to this journal voucher type.
- b. *Location*. The accounting service center (or Headquarters) initiating the journal voucher.
- c. *Initials*. The individual entering the journal voucher.
- d. *Date*. The date of the entry being made.

5-3.2 Overview

Exhibit 5-3.2 (see page 84) contains a flowchart of the manual journal entry process.

5-3.3 Detailed Description

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

1. Is this a Standard Journal Entry?

If the journal is a standard entry, proceed to step two. If the journal is not standard, go to step 3.

2. Standard Journal Entries

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

- *Directly through the OGL.* Entries made directly to the OGL are considered to be true top-side entries that are products of the month-end close.
- *Through the USPS JEV function.* Entries made through the JEV application are adjusting entries which occur outside of the month-end analysis process.

3. Is this a Recurring Journal Entry?

If the journal is a recurring journal entry, proceed to step 4. If the journal is not recurring, go to step 5.

4. Recurring Journal Entries

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

5. Is this an Adjusting Journal Entry?

If the journal is an adjusting journal entry, proceed to step six. If the journal is not adjusting, go to step seven.

6. Adjusting Journal Entries

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

7. Sub Ledger Journals

Create journal in Subledger.

8. Does Journal Require Approval?

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

9. Journal Approval/Posting

Certain journal entries go through an approval process before they are posted to the General Ledger. The details of which journal entries must go through the approval process and the business rules that govern the process are covered in the Journal Approval process discussion.

10. Will Journal be Posted Automatically?

If the journal can be posted automatically, proceed to step 12. If the journal cannot be posted automatically, proceed to step 11 to post the journal manually.

11. Manual Post Process

Journal entries posted manually through the OGL forms provides for a review of the journal batch by an accounting employee before the entries are manually posted. More information on the manual post process is found in the Journal Approval process discussion.

12. Auto Post Process

Journal entries are also able to be configured to automatically post to the general ledger. This auto posting functionality is based on journal source and/or journal category. Auto posting functionality enables journal batches that pass through the GL Interface to be automatically posted to the GL without any further intervention by accounting personnel. More information on Auto Post is found in the Journal Approval process discussion.

5-3.3.1 Standard Journal Entry Process

Standard journal entries are processed in two ways:

- a. Through the Oracle forms.
- b. Through the JEV function.

The determination of how a journal entry will get input into the ledger is based upon the purpose of that journal. If the month-end analysis process necessitates top-side journal entries utilizing the Oracle forms, then accounting personnel make the entries directly to Oracle. If a manual journal entry is required outside of the month-end processing time frame or necessitated to correct a subledger error, then it will be made pre-CDAS via the JEV function.

The vehicle by which a journal entry is made to OGL is also controlled by access. Minimal numbers of people have access to the OGL forms. This is to ensure that journals entered directly into Oracle receive the proper validation by accounting personnel, as well as keep the number of manual journals to a manageable number.

5-3.3.2 Recurring Journal Entries

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

- a. *Skeleton Template*. Skeleton recurring entries have the same account combinations in each accounting period but different amounts.
- b. *Standard Template*. Standard recurring entries use fixed account combinations and amounts in each accounting period.
- c. *Formula Entry*. Formula recurring entries are like standard entries but use formulas to calculate the amounts to be entered.

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

5-3.3.3 Adjusting Journal Entries

Adjusting journal entries are made via several different methods. The method used for data entry depends on the type of adjustment and the user's system access level. The following table shows the different types of adjusting entries, and the associated systems.

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

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

Journal voucher transfers are reclassification entries, originating primarily in Postal Service field locations. Journal voucher transfer field entries less than \$1,000.00 per line are not allowed. Field users are categorized by district or

area and allowed transfers only within assigned district or area. Entries to asset and liability accounts are not allowed.

5-3.3.3.1 **Prior Period Adjustments**

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

The PPA Date cannot relate to the current month. Any PPA Date before 10-01-2002 will be posted in 10-2002. Prior year adjustments for loan, transfer, and training hours are only processed in OGL during the month of October each year. The current year adjustments processed through the Loan Transfer and Training System (LTATS) are processed monthly in OGL. All prior year adjustments must be processed through LTATS during October of each year.

PPAs do not affect "Actuals" on ADM reports. The PPAs only influence the same period last year (SPLY) and year-to-date (YTD) SPLY columns in financial performance reports (FPR).

Example:

A journal voucher with an accounting date of 11/15/2003 and a PPA date of 10/14/2003 with a \$1,000 debit entry (DR) is illustrated to demonstrate how a PPA impacts the accounting records. This JV will impact the FPR report as follows:

- a. The \$1,000 will be reflected in the Adjustment (*not in Actuals*) column in the FPR for NOV-03.
- b. The \$1,000 will be reflected in the YTD Actuals column in the FPR for NOV-03.
- c. The \$1,000 *will not be reflected* in the Actuals column in the FPR for OCT-03.
- d. The \$1,000 *will not be reflected* in the YTD Actuals column in the FPR for OCT-03.
- e. The \$1,000 will be reflected in the Prior FY (SPLY) column in the FPR for the following OCT-04.
- f. The \$1,000 will be reflected in the YTD Prior FY column in the FPR for the following OCT-04.

PPAs in the previous fiscal year would also have the same effect. If the PPA was 09/13/2003 the following would be the impact:

- a. The \$1,000 will be reflected in the Adjustment (*not in Actuals*) column in FPR for NOV-03.
- b. The \$1,000 will be reflected in the YTD Actuals column in the FPR for NOV-03.
- c. The \$1,000 *will not be reflected* in the Actuals column in the FPR for SEP-03.

- d. The \$1,000 *will not be reflected* in the YTD Actuals column in the FPR for SEP-03.
- e. The \$1,000 will be reflected in the Prior FY (SPLY) column in the FPR for the following SEP-04.
- f. The \$1,000 will be reflected in the YTD Prior FY column in the FPR for the following SEP-04.

The Recast report in ADM is the only report that gets affected by PPAs. With the above scenario, the Selected Year Prior Period Adjustment and the Recast Selected Year columns in the report will get updated for 10/2003 as a result of the 10/14/2003 PPA in 11/2003.

5-3.3.3.2 Roles involved in the Manual Journal Entry Process

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

Role Name	Postal Service Position(s)	Role Description
System administrator	ASC accountant Senior systems accountant	Configure journal entry in Oracle General Ledger in conjunction with the configuration team.
Configuration Team	ASC Core Team Headquarters Core Team	Configure journal entry in Oracle General Ledger in conjunction with the system administrator.
Journal entry end user	Headquarters and ASC Executive Administrative Schedule (EAS) employees Level 14–18	Enter and upload journal entries to Oracle General Ledger; create and maintain standard, recurring and other journal entry activities.
Journal entry supervisor	Level 18 Headquarters and ASC EAS employees	Monitor, approve and post journal entries.
JEV	Current JVT users ASC accountant Senior systems accountant ASC Core Team Headquarters Core Team Headquarters and ASC EAS Level 14–18	Ability to connect to the JEV application to create standard journal entries for upload to CDAS for validation and crosswalk.

5-3.3.3.3 Journal Entry Report Descriptions

OGL provides a series of reports designed to facilitate the review of the journal entry process. A summary description of the key reports most often utilized follows:

Standard Report Name	Report Use	Report Description
Journal Batch Summary Report	Review posted journal batches for a particular balancing segment, currency, and date range.	The report provides information on journal batches, source batch and posting dates, total entered debits and credits and sorts the information by journal batch within each journal entry category. In addition, totals are provided for each journal category and a grand total for each balancing segment included in the report.
Journal Entry Report	Review journal activity for a given period or range of periods, balancing segment value, currency, and range of account segment values.	The report prints the accounting date, category, journal name, reference, journal batch name, entered debit or credit amounts, net balance, and account total for each journal. In addition, a total is provided for each balancing segment included in the report, and a grand total is provided for all the activity included in the report.
Journal Line Report	Review all journals, grouped by batch, for a particular journal category, currency and balancing segment value.	For each journal line, the report prints the transaction date, account, reference, journal line description, entered amounts and accounted amounts. Totals are provided for each journal and journal batch included in the report. In addition, totals are provided for each journal category and for each balancing segment, with a grand total for all of the activity included in the report.

5-4 Journal Entry Vehicle

5-4.1 Introduction

The Journal Entry Vehicle (JEV) application provides a method for entering journal vouchers into the OGL. The application allows users to create, save, edit and approve or reject manual journal vouchers using legacy account numbers and finance numbers. The JEV application creates a file containing journal voucher data and makes this data available for retrieval by CDAS. CDAS validates the contents of the journal voucher, maps the accounting data to the OGL chart of accounts, and feeds the data to the OGL.

The JEV application resides in the same instance of Oracle as the General Ledger. The creation, editing and approval/rejection of journal vouchers are

permitted by the JEV application. Each of the processes are facilitated by Web-based user forms and, where required, background programs.

5-4.1.1 **Creating Journal Vouchers**

Before creating a journal voucher (JV), users must document why the JV is needed and the desired contents of the JV.

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

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

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

5-4.1.2 **Saving and Submitting Journal Vouchers**

The creator of a JV has the ability to save the JV while inputting it into JEV application. The contents of a saved JV can be modified any time prior to the JV being submitted for electronic approval. After submitting for approval, the creator of the JV will not be able to modify the contents of the journal voucher.

5-4.1.3 **Inquiring About Journal Vouchers**

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

5-4.1.4 **Reviewing, Editing, Approving and Rejecting Journal Vouchers**

A select group of users at the Eagan Accounting Service Center and Headquarters have the authority to review, edit, and either approve or reject journal vouchers. These employees have access to an inquiry form that lists the JVs awaiting approval. Approvers review the details of each journal voucher and are able to modify the JV if necessary.

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

If a JV is rejected, it cannot be updated again — it must be reentered. Rejected JVs remain in the JEV application for auditing purposes, but are not fed to CDAS.

5-4.1.5 Creating JV Files for CDAS

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

5-4.2 Security and Control Processes

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

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

5-4.3 Roles and Responsibilities

5-4.3.1 JEV User Types and Roles

There are five types of JEV users. Each user type has access to different combinations of finance numbers, JV numbers, and legacy account numbers as described in the chart below:

User Type/Role	Finance Number Access	JV Number Access	Legacy Account Number Access	Approval Authority Within JEV
Field — Area	Any finance number within their area.	Limited to specific JV numbers.	Subset of Expense accounts (accounts with prefix = 5)	No
Field — Cluster	Any finance number within their FDC or PFC.	Limited to specific JV numbers.	Subset of Expense accounts (accounts with prefix = 5)	No
Headquarters (includes all Headquarters users except for “Accounting” or “Potomac”)	Any Finance area within: <ul style="list-style-type: none"> ■ Area. ■ Program and project organizations for their area. 	Limited to specific JV numbers.	Subset of Expense accounts (accounts with prefix = 5) plus subset of Revenue accounts (accounts with prefix = 4)	No

User Type/Role	Finance Number Access	JV Number Access	Legacy Account Number Access	Approval Authority Within JEV
Potomac Training Facility	All active finance numbers.	Limited to specific JV numbers.	Subset of Expense accounts (accounts with prefix = 5)	No
Accounting (includes Headquarters and ASCs)	All active finance numbers.	Possible to limit to specific JV numbers.	All active Account Numbers. Accounting users will be the only users with access to payroll accounts (i.e., accounts with a prefix = 51)	Yes Approvers are from the Eagan ASC and Headquarters.

5-4.3.2 **JEV Responsibilities**

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

- a. JEV Entry.
- b. JEV Approver.
- c. JEV Super User.
- d. System Administrator.

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

5-4.3.2.1 **JEV Entry**

Prior to creating a journal voucher within the JEV application, users populate a form that documents the components of the desired journal voucher. This document is approved in the user’s local office before the user creates the journal voucher in the JEV application.

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

- a. Field — Area.
- b. Field — Cluster.
- c. Headquarters.
- d. Potomac.
- e. Accounting.

5-4.3.2.2 **JEV Approver**

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

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

5-4.3.2.3 **JEV Super User**

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

5-4.3.2.4 **System Administrator**

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

5-4.4 **JEV Form Access**

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

The JEV application includes the following custom forms:

- a. JEV Entry Form.
- b. JEV inquiry forms.
- c. JEV Approval Form.
- d. User maintenance forms.

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

5-4.4.1 **JEV Entry Form**

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

Exhibit 5-4.4.1

JV Entry Form Fields Overview

Attribute	Field Description	Field Required?	Additional Field Information
JV Number (header-level)	JV number for which the JV is being created.	Yes	List of values containing the JVs to which the user has access.
JV Name (header-level)	Name for JV being created.	Yes	Field will default based on the JV number.
Description (header-level)	Narrative explaining reason for creating JV.	Yes	Free form text — alpha-numeric.
Accounting Date (header-level)	Accounting Date for JV header. The Accounting Date at the header level will be used as the source to default the accounting date for each line item.	Yes	Date format. Date will default to current system date. Users will be able to modify date if necessary.
Totals — Debits (header-level)	Displays the total of all the debits input at the line level.	Yes	System calculated field — automatically changes when the user changes the dollar amount(s) in the <i>Debit</i> field.
Totals — Credits (header-level)	Displays the total of all the credits input at the line level.	Yes	System calculated field — automatically changes when the user changes the dollar amount(s) in the <i>Credit</i> field.
Line No.	Sequential counter beginning with the number 10 and incrementing by 10 for each subsequent line.	Yes	System generated; user will be able to modify this field.
Finance Number	Finance number.	Yes	List of values containing the finance numbers to which the user has access.
Account Number	Legacy account number.	Yes	List of values containing the Account Numbers to which the user has access.
LDC	Labor distribution code.	Only required for lines containing payroll accounts	List of values that become “active” for lines containing payroll accounts.
Workhours	Tracks the number of workhours.	No	Free form text — numeric. Only available for lines containing payroll accounts.
Amount — Debit	Tracks the debit amount for the line.	Yes	U.S. dollar currency format. Default value will be 0.00.

Attribute	Field Description	Field Required?	Additional Field Information
Amount — Credit	Tracks the credit amount for the line.	Yes	U.S. dollar currency format. Default value will be 0.00.
Accounting Date	Displays the accounting date for the line item.	Yes	System will default the line-level accounting date based on the header-level accounting date. Users will be able to modify the value in the line-level field if necessary.
Prior Accounting Date	Date for transactions intended to update activity from prior accounting periods.	No	Date format — users will be able to input date in proper format, or will be able to select the desired date from a calendar/list of values.
Description (line)	Narrative explaining reason for creating JV line.	Yes	Free form text — alpha-numeric. Line-level description will default based on the Journal Description from the header. Users will be able to modify this line-level field if necessary.
Status	Displays the status of the journal voucher.	Yes	System will default the status.

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

5-4.4.2 JEV Inquiry Forms

The JEV inquiry forms allows JEV users to check the status of JVs they have already started creating and/or submitted for approval. There are two types of JEV inquiry forms, a header-level Inquiry form and a detail-level Inquiry form. The header-level Inquiry form provide users with access to the data originally input for each JV, including the JV Name, Description, Accounting Date, JV number, Total Debits and Total Credits from the Journal voucher initially created by the user. All users granted access to the JEV application have access to the JEV inquiry forms.

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

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

5-4.4.3 **JEV Approval Form**

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

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

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

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

Access to the *JEV Approval Form* is provided to a subset of users from the Eagan ASC and Headquarters. The JEV system administrator has the ability to create additional approval roles and/or add approvers as required.

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

5-4.4.4 **JEV Maintenance Forms**

A select group of Postal Service employees have the ability to create and maintain users, create and maintain roles, attach roles to users, associate users to budget authorizations, performance clusters, and Financial Data Control codes, and limit role access to specific JV numbers, and/or finance numbers.

The JEV application includes three different forms used for maintenance purposes. The *JEV Roles Maintenance Form* is accessed to create and maintain roles, and to tie roles to specific JV numbers, finance numbers, dollar limit restrictions, etc. Access to the *JEV Roles Maintenance Form* is granted to the system administrator(s).

The *JEV Lookup Maintenance Form* is used to maintain the List of Values for BA, FDC and PFC accessed when creating and maintaining JEV users. The values input via this maintenance form are listed in a List of Values for the

BA, FDC and PFC fields listed on the User Maintenance form. Access to the *JEV Lookup Maintenance Form* is granted to the system administrator(s).

The *JEV User Maintenance Form* is used to maintain users and to attach roles to users. It is important to note that users may have more than one role assigned to them.

Although not required fields, the BA, FDC, and PFC fields on the *JEV User Maintenance Form* may be populated by the system administrator to specify the BA, FDC, and/or PFC to which the user is assigned (for informational purposes only). The BA, FDC and/or PFC value(s) to which the user is assigned may differ from the BA values, FDC values and/or PFC values to which the user is granted authority to create journal vouchers as defined by the *JEV Roles Maintenance Form*.

5-4.5 System Interfaces

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

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

5-4.6 Journal Approval and Posting

5-4.6.1 Introduction

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

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

- a. Those that are interfaced into the OGL by feeder systems such as payroll, accounts payable, and other subledgers.
- b. Journals created manually in OGL.

The system provides a significant amount of flexibility with respect to the individuals involved in the process, the requirements for new journal creation and backup documentation, and exception cases where a particular person may be sick, on vacation, or otherwise unavailable for immediate resolution of a process requirement. Entries made into the Journal Entry Vehicle (JEV) system require retention of support documentation by the originator of the entry.

The journal approval and posting process provides online approval documentation and an audit trail of journal approval for manually-posted journals. The system also provides for the automatic approval and posting of journals from automated sources during off-hours. It allows journals for which

there is an immediate need to be processed without approval delay. All journals created by the Journal Entry Vehicle post automatically.

5-4.6.2 **Overview**

Exhibit 5-4.6.2 (see page 85) contains a flowchart of the journal approval process.

5-4.6.3 **Detailed Description**

The steps for the journal approval process are as follows:

1. Journal Import

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

2. AutoPost

Journals interfaced through the Journal Import process do not require manual approval. Journals created by the Journal Import program are posted automatically by an internal OGL program (AutoPost). AutoPost is configured to automatically post journals based on their Source according to an internal maintainable schedule. Autopost runs daily and automatically posts journals. In addition, AutoPost may be run manually on demand if there is an immediate need for journals from subledgers to post. AutoPost is not used for journals whose Source is Manual.

3. Business Event Occurs

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

Often, the business event that requires the journal approval process for manual journal entries is related to the period-close process and represents the requirement for a topside adjustment that must be made in the OGL. The preferred method for revising erroneous data fed to the General Ledger from subledger interfaces is to correct the data as close to its source as possible; i.e., in the feeder subledger systems. During a period close, however, the time required to perform a correction and retransmission of subledger data may not be possible within the scope of the close. It is during the period close that the vast majority of topside journal entries are normally created in OGL. In addition, to these period-end adjustments, many recurring accruals, cash transactions and other normal topside entries for which there is no subsystem are created in OGL.

4. Is the Supporting Documentation in Electronic Format?

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

- Send an e-mail message requesting that a journal be created for a specific purpose.
- Fax requesting a new journal entry.
- Other written paper documentation.

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

5. Key Journal Into Oracle General Ledger

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

6. Attach Electronic Documentation to Journal

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

7. Save Journal

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

8. Is Need for Journal Posting Immediate?

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

9. Request Journal Approval of Journal Poster

The Journal Processor communicates the need of immediate journal review and posting to the Journal Poster via e-mail, telephone call, or other method. The preferred method is via e-mail so that there is an audit trail of the request. Additionally, this step may be bypassed if the Journal Poster is the same individual as the Journal Processor.

10. Query Unposted Journals

A Journal Poster logs into Oracle and enters the *Journals>Post* navigation path in order to manually post journals. Every Journal Poster must perform this action weekly or on demand at the request of the journal poster. This is the case during the period-end close process, as manually-created journals are to be posted as soon as possible.

The Journal Poster is primarily a select member of each ASC's Accounting staff that has been assigned the responsibility in addition to dedicated

Headquarters Accounting staff. During the period-close process, the Journal Poster ensures that any pending manually-created journals are posted in a timely fashion so that the proper account balances are reflected.

11. Review Unposted Journal Details

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

12. Do Unposted Journals Require Revision?

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

13. Post Journals

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

14. Did Post Complete Successfully?

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

15. Correct Unposted Journals

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

5-4.6.4 **Key Roles**

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

Role Name	Role Description
System administrator	Maintain user IDs and Responsibilities to ensure appropriate access to journal entry and posting capabilities.
GL administrator	<p>Maintain AutoImport and AutoPost schedules and configuration.</p> <p>AutoImport is the internal Oracle program that transfers journal information automatically and periodically from the GL Interface Table to actually become journals in Oracle General Ledger. This program is responsible for automatically importing all interfaced journal data from subledgers.</p> <p>AutoPost is an internal Oracle program that posts eligible journals automatically and periodically. With respect to the Journal Approval process, it is important to note that all journals that are not manually created within Oracle General Ledger are posted automatically by the AutoPost program.</p>
Users: journal preparer and journal processor	<p>Enter journals subject to approval.</p> <p>For the most part, these users are entering top-side recurring accruals, cash and Interagency Payment and Collection (IPAC) transactions and adjustments related to the period-end close process.</p> <p>It is Postal Service policy to correct all errors on interfaced data as far "upstream" as possible; that is, as close to the source as possible. However, in the time constraints of a period-end closing process, it may not be feasible to perform such an upstream correction. In this case, a manual journal entry created directly into the Oracle General Ledger would be used.</p>

Role Name	Role Description
	It is also possible that this capability will be given to certain individuals within each ASC. These individuals would then be able to assist in the period-end close process by creating manual journal entries which serve to adjust accounts that pertain to their sphere of responsibility.
Users: journal approver and manual poster	<p>Review and post journals entered by others.</p> <p>Users who have these capabilities are members of the Headquarters closing-process Accounting staff and select individuals at the Eagan ASC who assist in the closing process.</p> <p>Most, if not all, of the people having the ability to Post journals also have the ability to create new journals as well as modify existing journals. The ability to Post and the ability to create/modify journals are two separate functions within Oracle General Ledger and it is possible to define a Responsibility wherein a user could Post journals but neither create nor modify them.</p>

5-5 Alerts

5-5.1 Overview

The Oracle General Ledger includes an alert process to notify users and administrators of processing errors. The benefits of the alert process include the following:

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

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

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

The alerts process provide the immediate notification of the failure of any process which moves accounting data further along in the process of posting (e.g., subledger to CDAS feed, Journal Import process, AutoPost process, OGL to ADM data feed). Key among those processes are the processes within CDAS to:

- a. Validate legacy data from subledgers.
- b. Map legacy data to Oracle account values.

- c. Transmit legacy and Oracle values to the Oracle General Ledger.

5-5.2 Recipients

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

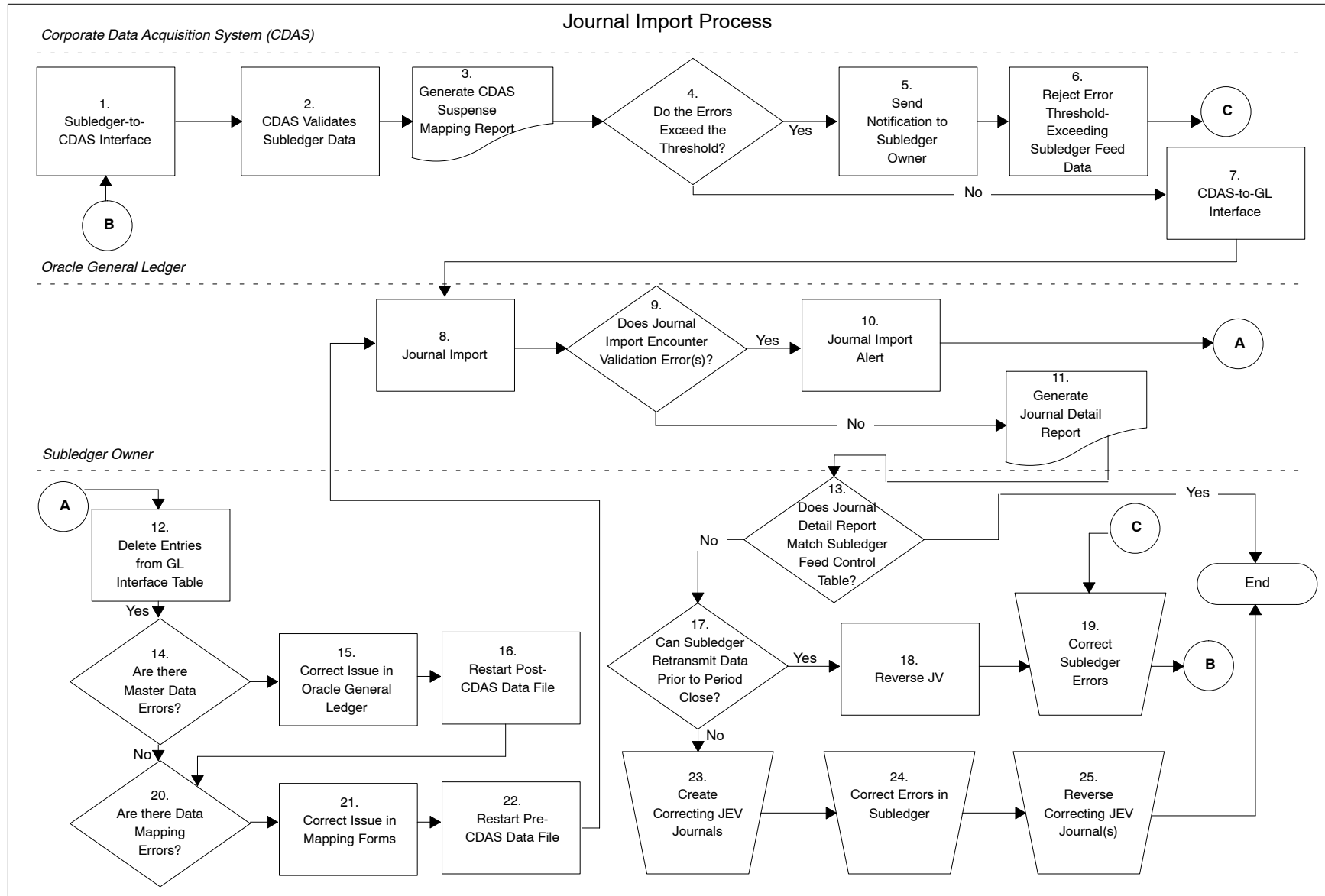
Note: The recipient list may be updated, as needed. Desk procedures have been defined to address the resolution of errors resulting from the CDAS-to-GL interface.

5-5.3 Roles

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

Role Name	Role Description
System administrator	Maintain user IDs and Responsibilities to ensure appropriate access to journal entry and posting capabilities.
GL administrator	Maintain AutoImport, AutoPost, and GL-to-ADM interface schedules and configuration.
Users: journal approver and manual poster	Review and post journals entered by others. Users who have these capabilities are members of the Headquarters closing-process Accounting staff and select individuals in each ASC who assist in the closing process. With respect to the Workflow & Alerts process described herein, the people fulfilling this role are responsible for receiving and responding to the alerts generated by Oracle General Ledger, as well as correcting errors that these alerts identify if it pertains to the subledger with which they work.
Alert distribution list	Receive all Alert correspondence from the Oracle General Ledger. This list may be modified, as needed.

Flowchart for OGL Journal Import Process



Flowchart for Manual Journal Entry Process

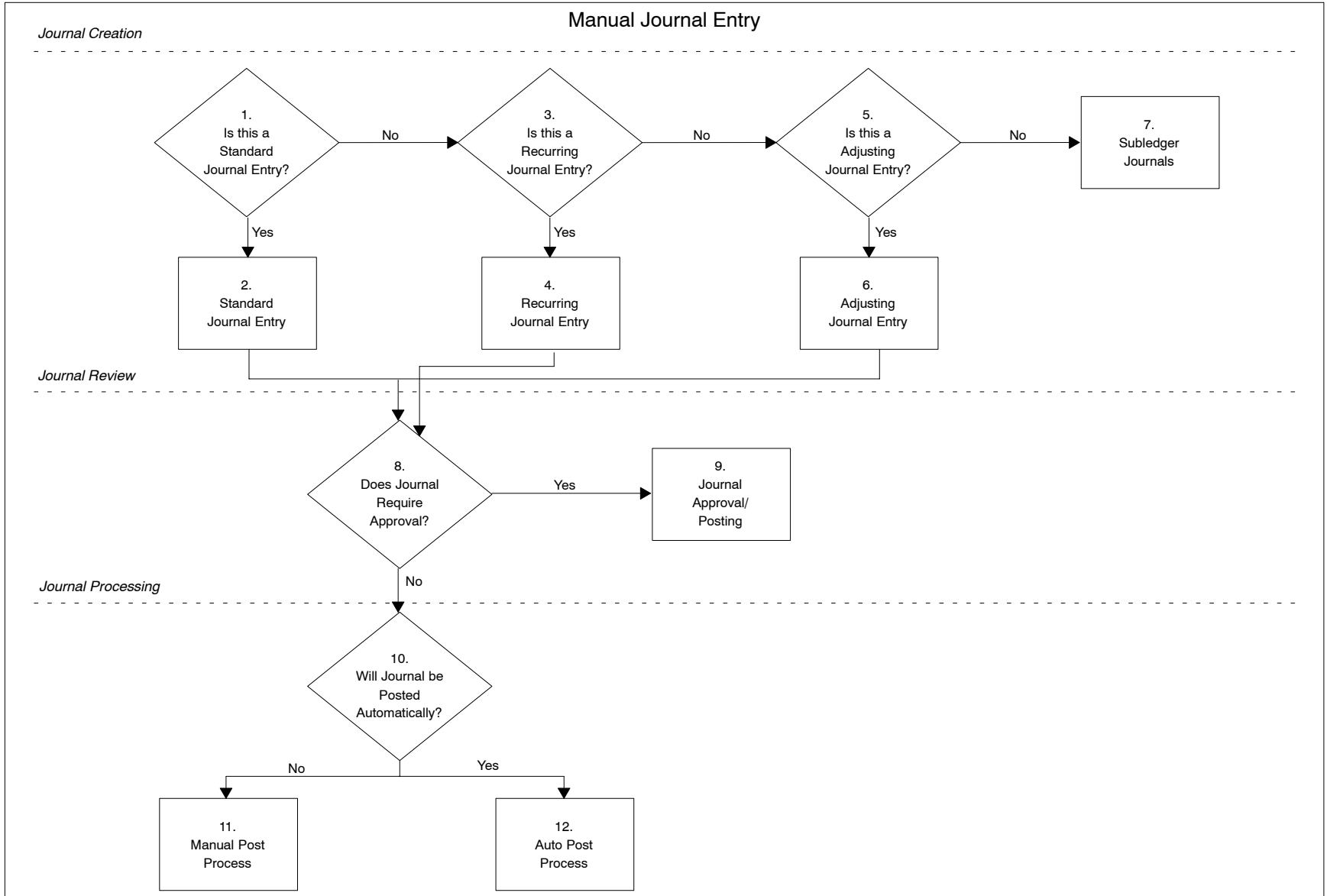
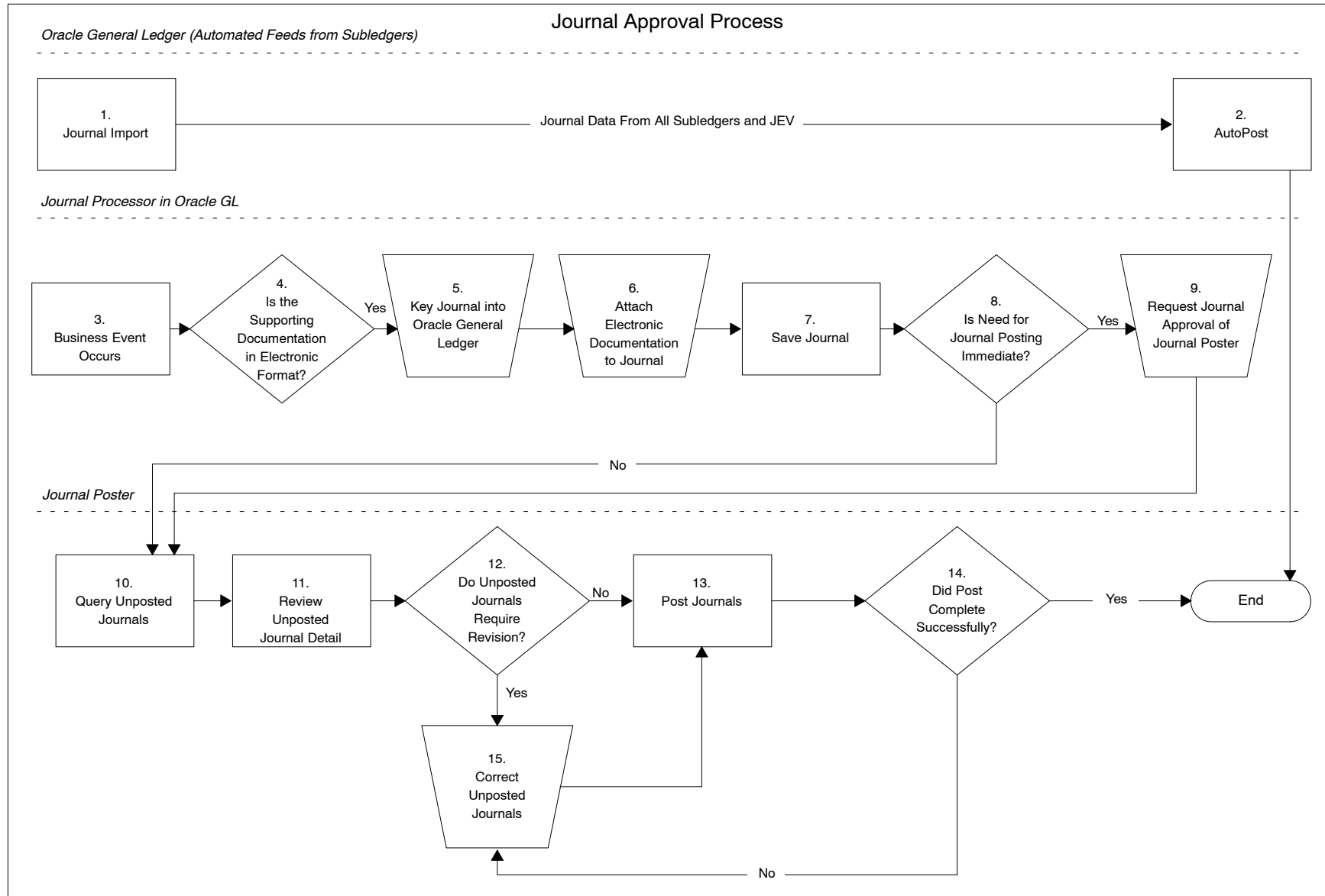


Exhibit 5-4.6.2

Flowchart for Journal Approval Process



This page intentionally left blank

6 Commitment and Budget Accounting

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

6-1 Introduction

6-1.1 Commitment Accounting

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

6-1.2 Budget Accounting

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

6-2 Commitment Accounting Process

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

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

6-2.1 Overview

Exhibit 6-2.1 (see page 93) contains a flowchart of the commitment accounting process.

6-2.2 Detailed Description

1. Complete PS Form 4209, Project Authorization, for Facilities

When the Postal Service recognizes a need for goods or services, it initiates a contract. The contract must go through the appropriate approval and authorization processes. Once the approval is granted and a contract number is assigned, the commitment is processed within the Accounts Payable Accounting and Reporting System (APARS). APARS then transmits information to CDAS daily. A job scheduling system automatically controls this process.

2. Complete PS Form 7381 Authorization Document for Purchasing

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

3. Commitment Entry (Debit to Commitment Account)

Once the contract is entered into the subledger, the system generates a debit to the appropriate commitment account. This entry is then transmitted to

CDAS the next time a file is sent. Files are sent daily from APARS to CDAS and then on to the GL and ADM.

4. Receipt of Goods and Services

ASC personnel record the receipt of goods and the completion of services in the appropriate subledger system.

5. Payment Entry (Credit to Commitment Account)

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

6. Is this a Capital Commitment?

If the commitment is a capital commitment, the item must be added to the asset list as described in step 7. If the item is not a capital commitment, the file is sent from the subledger to CDAS.

7. Capitalize

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

8. Files are transmitted from the Subledger to CDAS

After the capitalization, process the files from the subledger to CDAS.

9. Subledger Transactions are Validated (including commitment transactions)

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

10. File is sent to Oracle History Table with transaction detail information

A file is sent from CDAS to the OGL Interface and History tables. See Chapter 5, Oracle General Ledger Import, for more information about this process.

11. File is sent to Oracle GL with Summary Level information

A file is interfaced to OGL which includes summary level information.

12. Account summary balances are posted to Oracle GL

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

13. ADM is populated with Transaction Detail Information

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

6-2.3 Commitment Reporting

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

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

6-3 Budget Accounting Process

6-3.1 Introduction

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

6-3.2 Creating the Budget

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

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

6-3.3 Updating and Storing Budget Information

Updates can be made to budgets without reloading the entire budget. Budgets are uploaded as a new version every calendar period, and previous budget versions are preserved. Multiple budget versions enable reports to be run against several budgets, therefore, it is very important for budget personnel to clearly define which budget version to report. All reports with Budget information (from the ADM), contain labels which denote which budget version is used to create the report. This helps to mitigate the risk of selecting and reporting on the wrong budget version.

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

6-3.4 Key Roles

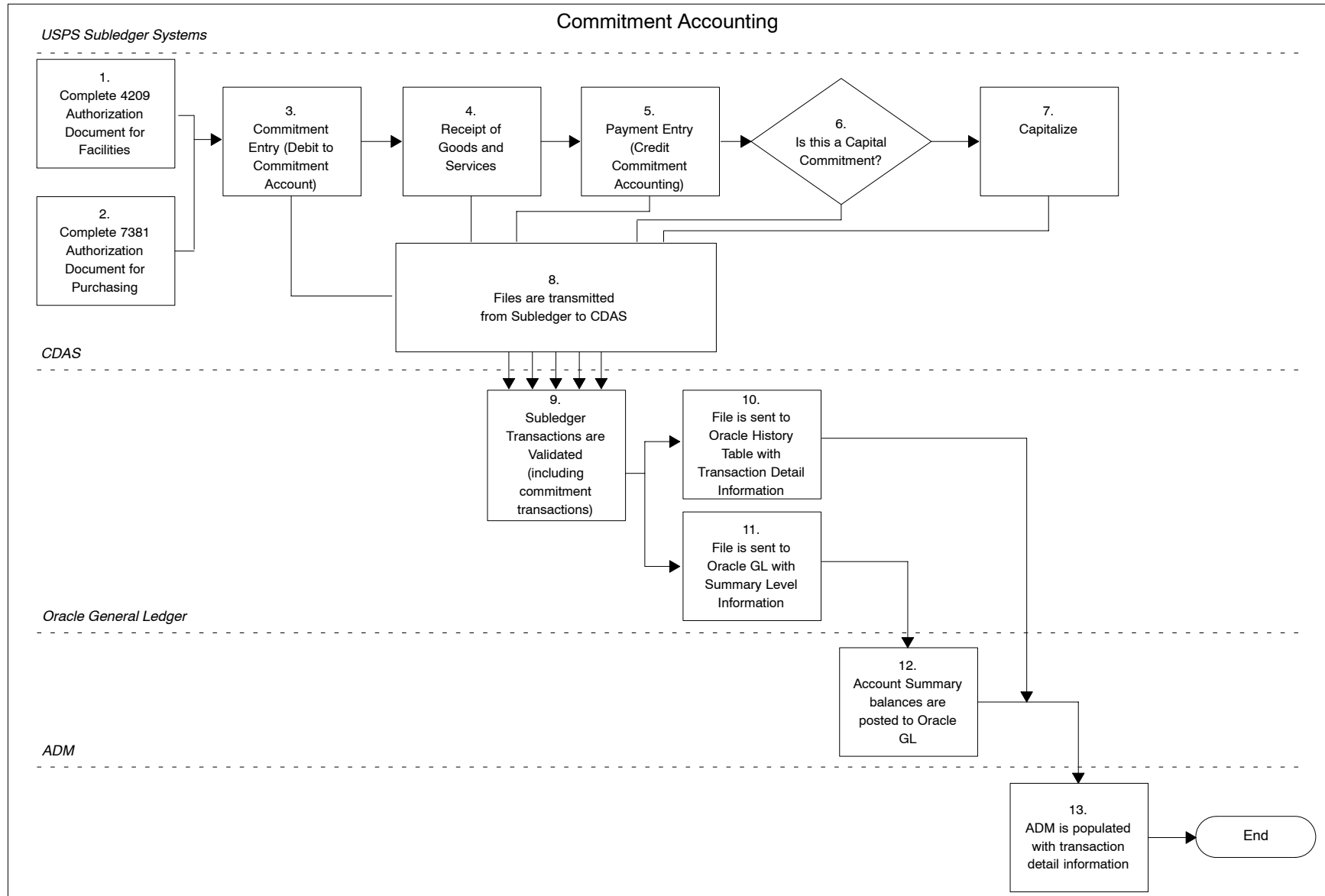
The following table describes the key roles involved in the budget process.

Role Name	Postal Service Position	Description
System Administrator	ASC Accountant Senior System Accountant	Configure budget information in Oracle General Ledger in conjunction with the configuration team.
Configuration Team	ASC Core Team Headquarters Core Team	Configure budget organizations and budget "header" information within Oracle General Ledger in conjunction with the system administrator.
Budget User	Headquarters' budget organization	Enter and upload budget journal entries to Oracle General Ledger.
Upload User	Reserved for future use	Enter and upload budget journal entries to Oracle General Ledger.
JEV	Reserved for future use	Ability to connect to JEV to create budget updates.
Budget Inquiry	Reserved for future use	Inquiry access to budget data.

This page intentionally left blank

Exhibit 6-2.1

Flowchart for Commitment Accounting Process



This page intentionally left blank

7 Month-End and Year-End Close

7-1 Overview

The Postal Service operates on a calendar month accounting cycle with a government fiscal year end of September 30. A calendar year structure is also maintained as part of the overall financial reporting system.

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

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

7-2 Close Schedule

Mid-Month	Day 1	Days 2–3	Days 4–5	Days 6–8 Year-End Only
Subledger file upload for: <ul style="list-style-type: none"> ▪ Federal Express ▪ Stamps by Mail ▪ Facility Management System components ▪ Personal Property Asset System ▪ General Services Administration ▪ Government Printing Office 	Subledger file upload for: <ul style="list-style-type: none"> ▪ Accounts Receivable ▪ Automated Enrollment System ▪ Payroll Payables ▪ Project Control Tracking ▪ Relocation ▪ Personal Envelope Program ▪ Accounts Payable ▪ HiWay ▪ International Accounting ▪ Facility Management System components ▪ Air Contract Support ▪ Personal Property ▪ Material Distribution Inventory Management ▪ Rail Management 	Day 2 Subledger file upload for: <ul style="list-style-type: none"> ▪ Workers' compensation ▪ American Bank Note ▪ Official Mail Accounting ▪ National Meter Auto Tracking ▪ Postal Order Processing ▪ T-Recs ▪ Vehicle Maintenance Day 3 Subledger file upload for: <ul style="list-style-type: none"> ▪ Standard Accounting for Retail ▪ Payroll Accrual 	<ul style="list-style-type: none"> ▪ ASCs resolve errors/exceptions of interfaces and GL journals ▪ ASCs perform variance analysis and reconcile to subsystems ▪ ASC reconciles GL to ADM to subsystems ▪ ASC clears suspense ▪ HQ performs top-side adjustments, if necessary ▪ Obtain preliminary top management reports ▪ HQ Corporate Reporting review begins ▪ HQ close signoff ▪ Close accounting period ▪ Close year ▪ Initialize new year ▪ Nominal balances are cleared ▪ All financial statements are created ▪ Close accounting period ▪ All financial statements are created 	<ul style="list-style-type: none"> ▪ Payables transmits data — accounts payable is held open for one additional week at the end of the year ▪ Obtain preliminary top management reports ▪ HQ Corporate Reporting review begins ▪ HQ close signoff ▪ Close accounting period ▪ Close year ▪ Initialize new year ▪ Nominal balances are cleared ▪ All financial statements are created ▪ Transmit data to 12/31 set of books ▪ Close period in 12/31 set of books

7-3 Month-End and Year-End Close Process

7-3.1 Overview

Exhibit 7-3.1 (see page 101) contains a flowchart of the month-end and year-end close processes.

7-3.2 Detailed Description

1. Subledger File and JEV File Upload

All subledger systems upload their data transmissions to CDAS for transformation and then import into the OGL. This data transfer should happen early enough so that all processing is finished by the close of business on Day 3 of the new month. Certain subledgers are processed mid-month.

2. Posting Process and Data Validation

After the subledger files are uploaded, Oracle Auto-Import and Auto-Post are run to update OGL balances with the subledger data. This is an automatic process and doesn't require any intervention until the data files need to be verified, unless journal import fails.

3. Manual JE

The manual journal process is executed for any accruals that need to be made during the month/year-end close process. These journals should be made by Headquarters and ASC personnel as early in the close cycle as possible. The journals are entered pre-CDAS where possible, and then transferred and uploaded to OGL. Accountants in the Eagan ASC provide monitoring for journals with a journal source of 'Manual', as these journals need to be manually reviewed for approval and then posted to OGL.

4. Errors in Posting Process?

Any errors in the posting process are detected by accountants within each ASC. As the ASCs transmit their subledger data, the personnel responsible monitor control reports for any discrepancy in the file transfers. If data does not post properly, the ASC personnel work to resolve the errors and possibly resend the data from the subledgers.

5. Notify Responsible ASC or Headquarters User

If there are errors within the posting process, the respective ASC accountants or Headquarters personnel are notified immediately. They resolve any issues with the transfer and post process.

6. Subledger Analysis, Reconciliation, and Suspense Clearing

When all of the subledger data has been posted to the OGL, the ASC accountants begin clearing any journals that have been booked to the suspense account. The journal entries which are made to clear suspense must be made pre OGL (i.e., through a subledger system or the JEV function). The month-end close process cannot finish until all journals posted

to suspense have been cleared. Reconciliation is also performed between the OGL and the ADM.

7. Reconciled?

As the analysis process continues, any additional reconciliation needed to clear suspense or resolve errors continues until every line item can be reconciled.

8. Management Review of Preliminary Financial Reports

Headquarters personnel review the preliminary financial reports to determine a need for further adjusting journal entries.

9. Adjustments Needed?

If Headquarters financial reporting personnel determine a need for further adjustments, the journal entries are entered through the *Manual Journal Entry Process*.

10. Approve Preliminary Financials

Once the Financial Reporting group at Postal Service Headquarters is satisfied with the month/year-end financial reports, they approve the close and sign off on the financials.

11. Close Current Month and Open Next Month

When sign-off has been obtained, the Eagan ASC accounting personnel close the current month and open the next month.

12. Is it Government Year End?

If it is not year end, then the process ends at this point. If it is year end, then the process will continue to close the year and allow Oracle to clear the nominal accounts (roll balances forward). Note that the same analysis and reconciliation process occurs for year-end close as it occurs for each month-end close.

13. Close Current Year and Open Next Year

When all of the year-end adjustments have been completed and financial reporting has signed off on the financial reports, the year can be closed within the OGL. The process of closing the current year and initializing the new year automatically clears the nominal accounts and roll balances forward for balance sheet accounts.

14. Ensure Clearing of Nominal Accounts has Occurred

ASC personnel ensure that all nominal accounts have been cleared.

15. Transfer Data to Corporate Calendar (12/31 Year End)

When the Postal Service has closed each month within its government set of books (9/30 Year End), then it must consolidate the data with the Corporate (12/31) set of books.

16. Run Preliminary Financial Reports

Financial reporting is performed out of the government set of books.

17. Close Current Month and Open Next Month

After the financial reports have been completed the month can be closed.

18. Is it Corporate Year End?

If it is not year end, then the process ends at this point. If it is year end, then the process continues to close the year and allow Oracle to clear the nominal accounts (roll forward). Note that the same analysis and reconciliation process occurs for year-end close as it occurs for each month-end close.

Note: Corporate close is performed only at the direction of Headquarters Corporate Accounting.

19. Close Current Year and Open Next Year

When all of the year-end adjustments have been completed and financial reporting has signed off on the financial reports, the year is closed within OGL. The process of closing the current year and initializing the new year automatically clears the nominal accounts and roll balances forward for balance sheet accounts.

20. Ensure Clearing of Nominal Accounts Has Occurred

Upon opening the new fiscal year, ASC personnel ensure that all nominal accounts have been cleared. All revenue and expense accounts must reflect a beginning balance of zero. The net difference between revenue and expense post-close balances will be reflected as a credit (profit), or debit (loss), in the retained earnings account. When the retained earnings balance reflects a debit balance, the Postal Service is in a net deficit position. When the retained earnings account reflects a credit balance, the Postal Service is in a net surplus position.

7-3.3 Suspense Clearing

Any journal entries that do not pass CDAS edits and validation are sent to a suspense account. These entries must be cleared from this account in order to complete the month-end close process.

All errors must be corrected pre-CDAS in order to clear the suspense entry in OGL. If an error can be corrected within a subledger, an ASC accountant will make that correction.

If an error cannot be corrected through its originating subledger (due to system limitations), accounting personnel within each ASC will use the JEV vehicle to make a manual correction. The ASC accountant should notify the subledger owner of the correction. The preferred method of communication is e-mail, as it leaves an audit trail. When the corrections have been made, the journal entries must be sent to CDAS for edit and validation checks.

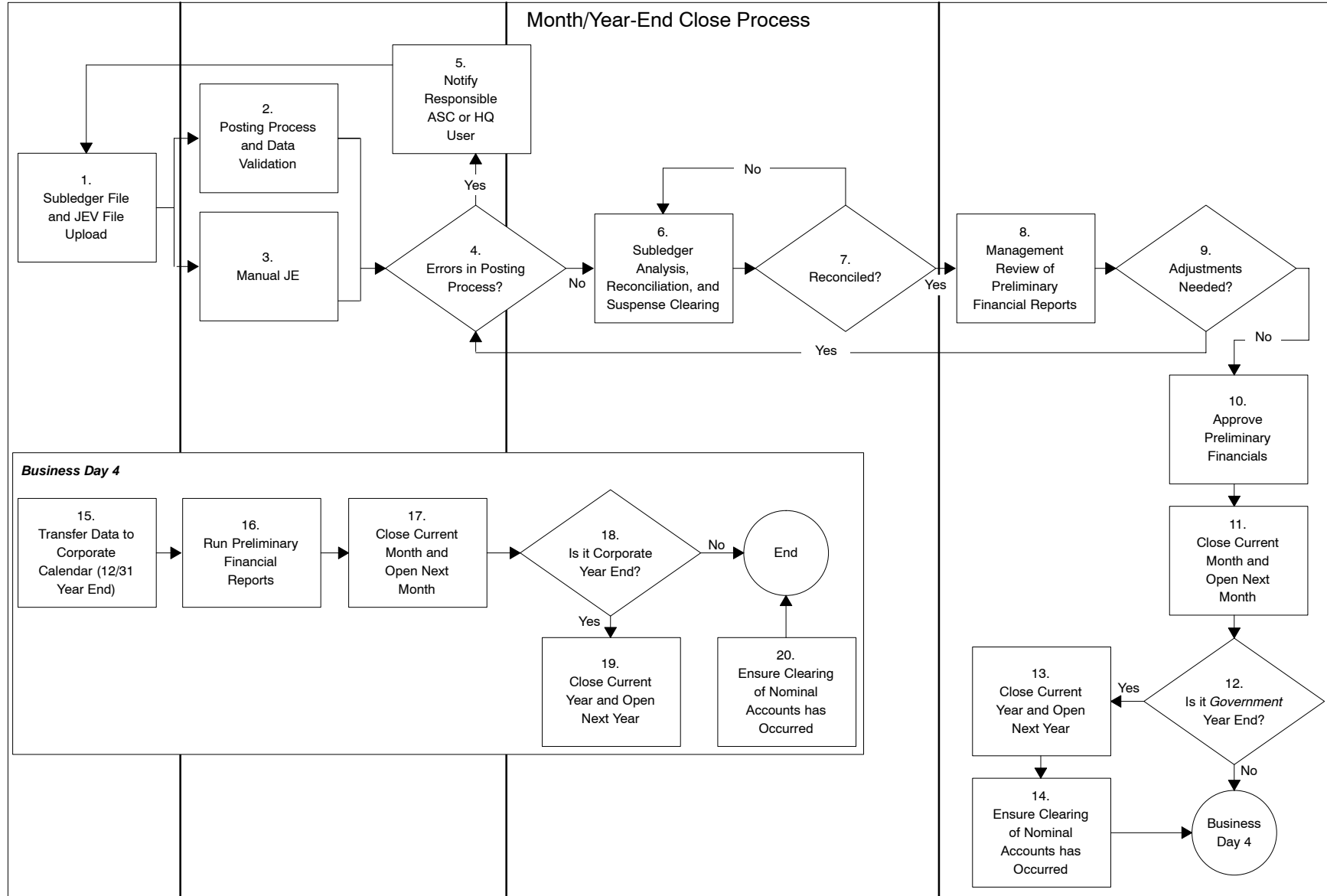
7-3.4 **Roles**

The following table describes the roles required for the month-end and year-end Close process.

Role Name	Postal Service Position	Description
System administrator	ASC Accountant Senior System Accountant	Maintain Accounting Calendars.
GL end user	Headquarters and ASC EAS employees Level 14–18	Perform Month-End/Year-End closing activities.
GL supervisor	Level 18 Headquarters and ASC EAS employees	Monitor Month-End/Year-End closing activities.

Exhibit 7-3.1

Flowchart for Month-End and Year-End Close Processes



This page intentionally left blank

8 Financial and Operational Reporting

8-1 Overview

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

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

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

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

8-2 ADM Transfer and Interface Processes

The ADM transfer and interface process is a critical part of the overall financial and operational reporting process of the Postal Service. This process ensures that OGL and ADM equal. Within the overall interface processes between OGL and the ADM are five distinct categories of interfaces. While the technical specifications of those interfaces are beyond the scope of this discussion, it is important to note that these interfaces are part of the OGL to ADM transfer process. The five categories of interfaces are:

- a. Journal synchronization.
- b. Budget synchronization.
- c. General Ledger balance synchronization.
- d. Master data synchronization.
- e. Other data synchronization.

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

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

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

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

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

8-3 Roles

The following table describes the roles involved in the ADM reporting process.

Role Name	Postal Service Position	Description
ADM Users	Headquarters and ASC EAS employees Level 14–18	Run detail and summary reports out of the ADM. Users include personnel from Budget, Rate Case, Costing, Marketing, Office of the Inspector General (OIG), external auditors, etc.
Accounting Personnel — Accountant	Senior systems accountant, systems accountant, Level-18	Responsible for the control reports generated by ADM and OGL. Review reports to reconcile ADM totals to OGL totals.
Information Technology — Raleigh	Database Support Services (DBSS) / concurrent manager	Schedules and problem resolution.

8-4 Key System Reconciliations

The General Ledger Accounting and Financial Reporting System requires that journal voucher dollar amounts and record counts for the subledger systems (SS), CDAS, OGL, and ADM be equal (i.e., SS = CDAS = OGL = ADM). The following reports facilitate the General Ledger Accounting and Financial Reporting System reconciliation process:

- a. *USPS National Reconciliation Report by JV Number (run from OGL)*. Compares account totals in Oracle and ADM by JV number. Report lists JV number accounts and amounts if there is a discrepancy between the data in Oracle and the ADM.
- b. *USPS National Reconciliation Report by Account (run from OGL)*. Compares account totals in Oracle and ADM displayed by account number.

Using the above reports, ADM JV reports should be matched to the appropriate subledger JV reports and any discrepancies investigated. Other reconciliation reports that facilitate the system reconciliation process include the following:

- a. *USPS National Reconciliation Report by finance number (run from OGL)*. Compares account totals in Oracle and ADM displayed by finance number.
- b. *USPS National Reconciliation Report GL Interface History to ADM by JV (run from OGL)*. Compares ADM with OGL Interface History Table. This report helps reconcile between ADM and the subledgers.

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

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

- a. *View Reject File List*. All rejected files will be recorded in this form.
- b. *View GL Interface-Detailed Error Report*. This allows the online monitoring of errors CDAS encounters while it is processing files from the subledgers.
- c. *JV File Control*. Monitors the process of files being sent from CDAS to the GL Interface Table.
- d. *JV Batch Control*. Provides detail pertaining to the transfer status of journal batches between Oracle and ADM.
- e. *GL Interface History*. Provides a user interface to the GL Interface History Table and enables someone not having access to a database query tool to view the contents of that table.

8-4.1 Reports

The General Ledger Accounting and Financial Reporting System generates the following three types of reports:

- a. *Standard*. Oracle data only run from OGL.
- b. *Specialized*. Primarily legacy data run from ADM.
- c. *FSG*. Oracle balances run from OGL.

A listing of the key reports available for each type of report is presented below.

8-4.1.1 Standard Reports (Oracle)

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

- a. *Account Analysis*. Provides a method to review source, category and reference information to be able to trace transactions back to their original source.
- b. *Account Analysis (Subledger Detail)*. Provides a method to review details of subledger activity that has been posted to General Ledger accounts. The report displays detail amounts for a specific journal source and category.
- c. *Chart of Accounts Inactive Active Account*. Provides a method to review a list of disabled and expired accounts for a date of interest and an account range. This report displays information to determine why particular accounts are no longer active.

- d. *General Ledger*. Provides a method to review journal information to trace each transaction back to its original source. General Ledger prints a separate page for each balancing segment value.
- e. *Journals — General*. Provides a method to view data contained in each field for journals for manually entered data or data imported to General Ledger from other sources. The information provides information to trace transactions back to the original source.
- f. *Trial Balance — Detail*. Provides a method to review general ledger actual account balances and activity in detail for balances and activity.

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

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

Other standard Oracle reports are available for specific purposes.

8-4.1.2 **Specialized Reports**

Specialized reports available through the ADM are categorized into Corporate Reports and Financial Reports folders within the Shared Report/GL (eaGLe) ADM report database. Corporate Reports are further categorized into National, Accounting Service Center, and Preliminary Report folders. Financial Reports are further categorized into Financial Performance, Labor Utilization and Workhour, and Finance Line / Account Recast folders. Descriptions for each of these reports are available online through the Shared Reports tab in the ADM online report database. The key specialized reports are as follows:

- a. Corporate reports.
 - (1) National.
 - (a) National trial balance.
 - National Trial Balance — Salary and Benefits.
 - National Consolidated Object Class.
 - (b) Resources on order.
 - Resources on Order Report.
 - Resources on Order Report — Cash Outlay for Capital.

- Resources on Order Report — Cash Outlay for Capital — Unpaid Assets.
 - Resources on Order Report — Summary.
 - (c) Statement of revenue and expenses.
 - Statement of Revenue and Expenses.
 - Statement of Revenue and Expenses — Summary.
 - (d) Financial performance.
 - Financial Performance Report — Summary.
 - Financial Performance Report — FPR Line.
 - Financial Performance Report — FPR Subline.
 - Financial Performance Report — Workhour.
- (2) Accounting service center.
 - (a) Journal Voucher by Date.
 - (b) Journal Voucher.
 - (c) Journal Voucher Summary by Account.
 - (d) Federal Tax Liability Information by Journal Voucher and Pay Period.
 - (e) Fluctuation Analysis.
 - (f) Unused Finance Number.
 - (g) National General Ledger.
- (3) Preliminary reports.
 - (a) Preliminary Income Statement.
 - (b) Revenue by Category.
 - (c) Revenue by Source.
 - (d) Field Expense Detail — Personnel Expense.
 - (e) Field Expense Detail — Non Personnel Expense.
 - (f) Field Expense Detail — Total All Expense.
 - (g) Field Workhour Detail — Workhours.
 - (h) Field Workhour Detail — Overtime.
 - (i) Field Workhour Percent.
- b. Financial reports.
 - (1) Financial performance.
 - (a) Financial Performance Report — Summary.
 - (b) Financial Performance Report — FPR Line.
 - (c) Financial Performance Report — FPR Subline.
 - (d) Financial Performance Report — Workhour.
 - (2) Labor utilization and workhour.
 - (a) Labor Utilization Report — Month.
 - (b) Labor Utilization Report — Year to Date.
 - (c) Labor Utilization Report — National Workhour Report.

- (3) Finance line/account recast.
 - (a) Finance Line — Account Recast — Dollars.
 - (b) Finance Line — Account Recast — Workhours.

8-4.1.3 **Oracle Specialized and FSG Reports**

Key Oracle specialized and FSG reports include the following:

- a. System Reconciliation reports. See items a and b in 8-4, Key System Reconciliations.
- b. Auditors Balance Sheet Report. FSG report that rolls up the balance sheet general ledger accounts into summary categories.
- c. USPS Treasury FACTS Report. Presents general ledger data compiled to address government reporting requirements.
- d. USPS Unused Finance Number Report. Lists unused finance numbers within OGL.

This page intentionally left blank

9 Reconciliation Process

This chapter explains the processes and definitions by which the Accounting staff reconcile general ledger accounts and other items. This chapter primarily addresses the general ledger account reconciliation process. However, reconciliations of U.S. Treasury statements, operating reports, and tax may also be required. Included within this information are:

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

9-1 Reconciliation Primer

9-1.1 Purpose

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

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

9-1.2 Comparing Balances

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

9-1.3 Identifying Sources of Differences

Differences typically arise from the following, as shown in the table below.

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

9-1.4 Preparing the Formal Reconciliation

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

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

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

9-2 Reconciliation Process

The reconciliation process includes these topics, which are described on the following pages.

- a. Reconciliation types.
- b. Identification of responsible individuals.
- c. Frequency and work scheduling.
- d. Responsibility for reconciliation at ASCs.
- e. Responsibility for follow-up action.

9-2.1 Types of Reconciliation

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

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

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

9-2.2 Identification of Responsible Individuals

Each reconciliation must indicate the date of completion and the signatures and titles of both the preparer and the approving official.

9-2.3 Frequency and Work Scheduling

ASC accounting must perform reconciliation functions, without exception, in accordance with the established schedules. These functions are as follows:

- a. Completing PS Form 3131, *Standard Reconciliation of Accounts*, for general ledger asset, liability, and equity accounts.
- b. Performing Zero Balance Control.

9-2.4 ASC Responsibilities

9-2.4.1 General Ledger Control Accounts

ASC accountants maintain general ledger control accounts and must adhere to the following reconciliation responsibilities:

- a. Establish a schedule of audits on the reconciliation submitted.
- b. Ensure that corrective actions are taken for unreconciled accounts.
- c. Complete the reconciliation process by the end of the next accounting period.

- d. Complete reconciliations for September as per closing instructions or audit requirements issued by Accounting.

9-2.4.2 **Reconciliation Control List**

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

- a. Include in the reconciliation control list all general ledger accounts whose reconciliation responsibility lies within that ASC, and a list of any other reconciliations that are required on a periodic basis.
- b. Update this list each accounting month with the addition or deletion of accounts.
- c. Annotate completed reconciliations and forward a list of delinquent reconciliations to the manager of the ASC for action each accounting month.
- d. Review all completed reconciliations and take action to alleviate problems, such as the following:
 - (1) Improper preparation.
 - (2) No follow-up action.
 - (3) Unreconciled balances.
 - (4) Delinquent reconciliations.
- e. Meet periodically with reconciliation employees to resolve problems and help prepare the procedures to be used in the reconciliation of new accounts.
- f. Upon request, provide completed reconciliations to both internal and external auditors for review.

9-3 PS Form 3131, Standard Reconciliation of Accounts

9-3.1 **Policy**

For consistency and to ensure that account differences are identified and corrected, employees must summarize reconciliations for most accounts on PS Form 3131, *Standard Reconciliation of Accounts*.

Each accounting month, employees must document accounts that should have a zero balance to verify that no general ledger balance exists. Detailed worksheets may be attached to PS Form 3131 to support certain entries. Do not submit worksheets in place of PS Form 3131.

You may attach other documentation such as analysis, listings, and forms as support to PS Form 3131, when warranted.

9-3.2 How to Complete PS Form 3131

Complete PS Form 3131 as follows:

- a. Enter the month being reconciled and the fiscal year.
- b. Enter the primary account number and subaccount if applicable (combine subaccounts).
- c. Enter the complete account title.
- d. Enter the ending date of the period being reconciled.
- e. On line 1, enter the general ledger balance [debit (DR) or credit (CR)] of the accounts being reconciled. Be sure to record debit balances in the debit column and credit balances in the credit column.
- f. On line 2, enter the net debit or credit total of all JVs posted (or to be posted immediately following the accounting month being reconciled) that affect the line 1 amount.
- g. On a supporting analysis sheet itemize the individual adjustments, if warranted. Make sure that no previous accounting month balances are recorded on line 2. List only journal vouchers posted in the accounting month following the accounting month being reconciled.

Note: The preparer must have a specific journal voucher number, accounting month, and amount (all three elements) before recording data on line 2.

- h. On line 3, enter the adjusted general ledger account balance (line 1 plus or minus line 2).
- i. Complete line 4 using the supporting detail sources for each account. Supporting details can be subsidiary ledger, substantiated documentation, or related account.
- j. Complete line 5. Be sure to list adjustments to supporting detail and unreconciled amounts (differences).
- k. On line 6, enter the net total of lines 4 and 5. The total on line 6 must equal the amount on line 3. If support is involved, the balance on line 6 must have the same sign (debit or credit) as line 3. If the reconciliation is dealing with offsetting related accounts, the sign must be opposite of that on line 3.
- l. Research and identify any differences between line 3 and line 6 before submitting the reconciliation. See the list below to help identify differences.
 - (1) Review posting from ledger to reconciliation form.
 - (2) Check for transposition of numbers.
 - (3) Check the accounting month and fiscal year of the general ledger and support.
 - (4) View all attached analysis.
 - (5) Verify support. Did the subsidiary list types of edit errors? Were there any additional in-transit listings or certifications of which one may not be aware?

- (6) Determine whether any journals affecting the period being reconciled are entered in a subsequent accounting month or ledger.
- (7) Review the ledger for any unusual entries.
- (8) Check that the subsidiary ledger agrees with the amounts listed in the journals that become part of the subsidiary.
- (9) Review changes to programs that might impact the reconciliations.
- (10) Verify that expected adjustments for prior reconciliations were made properly.
- (11) Know what each accounting program does.

9-3.3 **Reconciliations Not Submitted on PS Form 3131**

Do not submit the following reconciliations on PS Form 3131:

- a. Flexible spending accounts.
- b. W-2s.
- c. Commercial bank activities.
- d. Retirement master to employee master.
- e. Reconciliation of U.S. Treasury statement of differences.
- f. Cash deposits of revenue (Headquarters activities).
- g. IRS Form 941, *Employer's Quarterly Federal Tax Return*.
- h. Allowance for doubtful accounts.

Exhibit 9-3
PS Form 3131

U.S. Postal Service Standard Reconciliation of Accounts	A/P-FY	Primary Account Number <hr/> Subaccount Number
Account Title	End Date	
	Debit	Credit
1. Balance Per General Ledger _____ (Date)		
2. Adjustments Affecting Above General Ledger Balance to Reconcile With Subsidiary Ledger (Itemized by JV no., future A/P, and amount)		
3. Adjusted General Ledger Balance (Net of lines 1 and 2)		
4. Subsidiary Ledger Balance (Sum of supporting detail)		
5. Adjustments to Subsidiary Ledger		
6. Adjusted Subsidiary Ledger Balance		
Preparer's Name and Title (Print or type)	Signature of Preparer	Date
Approving Official's Name and Title (Print or type)	Signature of Approving Official	Date

PS Form **3131**, August 1995

This page intentionally left blank

10 Review and Audit Functions

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

10-1 Internal Control Processes

10-1.1 Introduction

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

10-1.2 Responsibilities

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

- a. Adhering to GAAP.
- b. Maintaining an effective system of accounts.
- c. Safeguarding assets.
- d. Devising a system of internal control that will ensure the production of properly presented financial statements.
- e. Performing reviews to determine the proper person(s) who will oversee the internal controls.

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

10-2 Controls

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

- a. Segregation of duties.
- b. Asset control and safeguard provisions.
- c. Internal audits.
- d. Independent audits.
- e. Checking the accuracy and reliability of accounting data.
- f. Promoting operational efficiency.
- g. Ensuring that managerial policies and procedures are followed.

10-2.1 Segregation of Duties and Functions

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

Segregation of functions by account category includes the following topics:

- a. Accounts receivable.
- b. Cash receipts.
- c. Accounts payable.
- d. Cash disbursements.
- e. Payroll.
- f. Inventories.
- g. Electronic data processing.

10-2.1.1 Accounts Receivable

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

10-2.1.2 Cash Receipts

No Postal Service employee may perform any two of the following duties:

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

10-2.1.3 Accounts Payable

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

- a. Issuing purchase orders/receiving reports.
- b. Approving purchases.
- c. Signing receiving reports.
- d. Processing invoices.
- e. Preparing journal vouchers.
- f. Approving vouchers.
- g. Controlling or verifying completeness of computer processing data.

10-2.1.3.1 Cash Disbursements

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

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

10-2.1.3.2 Payroll

Segregation of duties within payroll functions is ensured by not having the same Postal Service employee responsible for any two of the following duties:

- a. Maintaining personnel files.
- b. Authorizing salary increases and personnel additions and deletions.
- c. Preparing payroll journal vouchers.
- d. Signing checks.
- e. Distributing checks.
- f. Reconciling payroll accounts.
- g. Controlling and verifying computerized data processing.

10-2.1.3.3 Inventories

Segregation of duties within inventory functions is ensured by having different employees responsible for the following duties:

- a. Receiving inventory for storage.
- b. Maintaining perpetual records.
- c. Authorizing requisitions of materials from stock.
- d. Supervising physical inventory.

- e. Controlling and verifying computerized data processing.

10-2.1.3.4 **Electronic Data Processing**

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

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

10-2.2 **Asset Control Provisions**

The Postal Service Asset control provisions are as follows:

- a. Safeguarding inventories.
- b. Security of imprest funds.
- c. Software security.
- d. Employee and office security.
- e. Other controls.

10-2.2.1 **Safeguarding Inventories**

Major inventories at the ASCs consist of accountable paper in the form of commercial check paper stock, United States savings bonds, and money orders. The Disbursing Branch at the Eagan ASC is responsible for controlling this accountable paper — except for blank money orders, which the St. Louis ASC controls.

The process for safeguarding inventories is as follows:

- a. Controls must be maintained by number series and the accountable paper must be properly secured.
- b. An unannounced audit of all accountable paper inventories is performed by accounting personnel of the above ASCs (segregated function) on a quarterly basis.

10-2.2.2 **Security of Imprest Funds**

The process for security of imprest funds is as follows:

- a. The imprest fund cashier controls and maintains imprest fund activities for the organization.
- b. Purchases are controlled and generally limited to those of a nonrecurring nature.
- c. An independent third party audits the imprest fund semiannually or when the imprest fund cashier or imprest fund authorized certifying officers are changed.

10-2.2.3 **Software Security**

The policy for software security is as follows:

- a. All computer programs must be protected and maintained in a secured area.
- b. Programs are maintained by subsystems within program identification.
- c. Programs are controlled by program librarians who release software information only to authorized system programming personnel.

10-2.2.4 **Employee and Office Security**

The process for employee and office security is as follows:

- a. ASC offices and personnel are secured by not allowing the public to enter office areas.
- b. Each ASC has security access entry and surveillance systems, which require employees to show their employee identification cards.
- c. Computer operation units are physically secured areas that permit access only to authorized persons.

10-2.2.5 **Other Controls**

Maintaining good accounting controls is a prerequisite of reliable internal control. Postal Service accounting controls include the following:

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

10-2.3 **The Audit Function**

10-2.3.1 **Overview**

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

- a. Studying and evaluating the Postal Services' system of internal control.

- b. Performing an intensive qualitative study of the Postal Services' accounting information system and the informational output of that system.
- c. Performing direct testing of account balances at some specific time.

An independent certified public accountant (CPA) firm performs annual audits. Its objective is to obtain an opinion attesting to the fairness and reliability of an organization's financial statements. This helps fulfill the needs of third parties (including the public) for reliable financial information.

10-2.3.2 **Internal Audits**

10-2.3.2.1 **Responsibility**

The Office of Inspector General is responsible for internal reviews of all financial activities of the ASCs. The objectives of internal audits are to serve the needs of management and support the work of the independent CPA firm.

10-2.3.2.2 **Policy and Procedures**

The procedure for internal audits is as follows:

- a. The internal auditors make note and advise deficiencies or improvements related to accounting, internal control, and security.
- b. On a continuing basis, audit teams:
 - (1) Monitor ASC activities in order to safeguard Postal Service assets.
 - (2) Check the accuracy and reliability of all accounting data by ensuring that:
 - (a) All records are properly maintained.
 - (b) Transactions are accurately and properly recorded.
 - (c) Financial statements and reconciliation are prepared in accordance with GAAP.
 - (3) Promote operational efficiency.
- c. At the end of the fiscal year, the audit team reviews all significant reconciliation and revenue and expense accounts.
- d. The auditors advise the ASCs and Headquarters of *material findings* or irregularities, suggest methods of improvement, and note corrective actions taken.

10-2.3.2.3 **Function**

The internal audit function has two primary purposes:

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

Internal audit work is subdivided into operating functions and lines of management responsibility. The primary concern of internal auditors is the detection and prevention of fraud.

10-2.3.2.4 **Timing of Internal Audit**

The Office of Inspector General oversees internal auditors and their activities. The timing of internal audits is as follows:

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

10-2.3.2.5 **Adjusting the Books of Accounts**

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

10-2.3.2.6 **Reviewing Auditor's Report**

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

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

10-2.3.3 **Independent Audits**

10-2.3.3.1 **Requirement**

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

10-2.3.3.2 **Selecting the Auditor**

Title 39 of the Code of Federal Regulations provides that the Board of Governors select the independent certified public accounting firm. These independent auditors report directly to the Board of Governors.

10-2.3.3.3 **Conducting the Audit**

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

- a. Independent certified public accountant (CPA) auditors examine the financial statements of the Postal Service for each fiscal year.
- b. The auditors conduct the audits in accordance with auditing standards generally accepted in the United States and the standards applicable to

financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States.

- c. The auditors provide an opinion as to whether the financial statements are fairly presented in conformity with Generally Accepted Accounting Principles (GAAP).
- d. The auditors provide other reports as may be required as part of an audit performed in accordance with Government Auditing Standards.

10-2.3.3.4 **Function of Independent Auditor**

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

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

10-2.3.3.5 **Timing of the Audit**

The timing of independent audits is as follows:

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

10-2.3.3.6 **Issuing the Audit Report**

The process for issuing independent audit reports is as follows:

- a. Audit testing results are reviewed for each ASC and at Headquarters.
- b. The independent audit team at Headquarters prepares a report in which they express their opinion as to the fairness of presentation of the financial statements and reference other reporting performed in accordance with Government Auditing Standards.
- c. The independent audit team provides recommendations on internal control, accounting, and financial reporting matters noted in the course of completing their audit procedures.

10-2.3.3.7 **Replying to Auditor Recommendations**

The process for replying to auditor recommendations is as follows:

- a. The auditor includes adjusting entries, if any, and recommendations on internal control, accounting, and financial reporting matters noted by the CPA firm in a report to Postal Service senior management.
- b. The auditor discusses the completed report with management before it is finalized.

- c. Senior management replies to the report by noting responses and actions being taken to address the auditor's findings.

This page intentionally left blank

Appendix

Acronyms

A

A/R	accounts receivable
ABN	American Bank Note
ADM	Accounting Data Mart
AES	Automated Enrollment System
APARS	Accounts Payable Accounting and Reporting System
APARS2	Accounts Payable Accounting and Reporting System 2
APS	Adjustment Processing System
ASC	accounting service center

B

BA	Budget Authorization
----	----------------------

C

CAG	Cost Ascertainment Group
CDAS	Corporate Data Acquisition System
CFAS	Client Funding Agreement System
CMRS	Computerized Meter Resetting System
CPA	certified public accountant
CPS	Corporate Planning System
CR	credit
CVR	cross-validation rule

D

DBSS	Database Support Services
DR	debit

E

E&V	Edit and Validation
eaGLe	Excellence in Accounting through the General Ledger
EAS	executive and administrative schedule
eCAP	eCapabilities
EFT	electronic funds transfer
EMF	Employee Master File

F

FACTS	Financial Accounting Control and Tracking System
FASB	Financial Accounting Standards Board
FDC	Finance Data Control

FEDSTRIP	Federal Standard Requisitioning and Issue Procedures
FMSWIN	Facilities Management System — Windows
FNAG	Finance Number Approval Group
FNCM	Finance Number Control Master
FPA	foreign postal administration
FPR	Financial Performance Report
FSG	Financial Statement Generator
FY	fiscal year

G

GAAP	generally accepted accounting principles
GL	general ledger
GPO	Government Printing Office
GSA	General Services Administration
GAAP	generally accepted accounting principles
GL	general ledger
GPO	Government Printing Office
GSA	General Services Administration

H

HQ	Headquarters
----	--------------

I

IBSSC	Integrated Business System Solution Center
IMF	Installation Master File
IPAC	Interagency Payment and Collection

J

JEV	Journal Entry Vehicle
JV	journal voucher
JVT	journal voucher transfer

K

KCSFS	Kansas City Stamp Fulfillment Services Center
-------	---

L

LDC	labor distribution code
LPS	Lease Payment System
LTATS	Loan Transfer and Training System

M

MDIMS	Material Distribution Inventory Management System
-------	---

N

NBS	National Budget System
NMATS	National Meter Accounting and Tracking System

O

OAM	Oracle Account Master
OGI	Oracle General Ledger
OMAS	Official Mail Accounting System

P

PC	performance cluster
PCTS	Project Cost Tracking System
PEAS	Property and Equipment Accounting System
PEP	Printed Envelope Program
PFS	Project Financial System
POO	Post Office Operations
POPS	Philatelic Order Program System
PPA	prior period adjustment
R	
RETEK	Retail Technology Company
S	
SAFR	Standard Accounting for Retail
SOC	stamps on consignment
SOD	statement of differences
SPLY	same period last year
SPORT	Small Post Office Reporting Tool
SS	subledger systems
SURDA	Standard Field Accounting Unit Revenue Data Access
T	
TACS	Time and Attendance Collection System
V	
VMAS	Vehicle Maintenance Accounting System
Y	
YTD	year-to-date

This page intentionally left blank