

April 30, 2020

Mr. Brian J. Wagner  
President  
National Association of Postal Supervisors  
1727 King Street, Suite 400  
Alexandria, VA 22314-2753

**Certified Mail Tracking Number:**  
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Dear Brian:

As a matter of general interest, the Postal Service plans to revise Handbook **AS-701, Asset Management, Chapters 5** and 6.


The purpose of the revisions is to update the process for managing capital property assets and completing the Annual Capital Property Certification using the Solution for Enterprise Asset Management (SEAM) system.

Enclosed is a draft copy of Handbook AS-701, Asset Management:

- Chapter 5, **Asset Accountability**, one with and one without changes identified
- Chapter 6, **Asset Recovery: Redistribution, Recycling, and Disposal**, one with and one without changes identified

Please contact Shannon Richardson at extension 5842 if you have any questions concerning this matter.

Sincerely,

  
for Rickey R. Dean  
Manager  
Contract Administration (APWU)

Enclosures

## **5 Asset Accountability**

### **5-1 Introduction**

#### **5-1.1 Policy**

Postal Service assets must be protected from loss, theft, damage, etc. and be accounted for according to the policies and processes outlined in this chapter. Asset accountability and control are the responsibilities of all Postal Service personnel; installation heads, vice presidents, and department heads are ultimately responsible for all assets under their purview.

#### **5-1.2 Applicability**

These policies and procedures apply to the control and accountability of both capital and expense assets owned by the Postal Service.

#### **5-1.3 Purpose**

The purpose of this chapter is to:

- a. Define the responsibilities of the material accountability officer (MAO).
- b. Provide guidance on establishing a filing system to facilitate the accounting and control of Postal Service assets.
- c. Define processes and procedures for receiving, loaning, and the transfer of Postal Service assets.
- d. Define a SOX-compliant process for the periodic review of Postal Service assets.

#### **5-1.4 Responsibilities**

##### *5-1.4.1 Installation Heads, HQ Vice President Organizations, and HQ Field Organizations*

Installation heads, vice presidents (VPs), and their department heads are responsible and accountable for all material in their respective organizations. They may designate an MAO in writing who will act as their representative for asset accountability (see [5-3.1.2.1](#)). If the installation head, VP, and their department heads do not designate an MAO, all actions outlined in this chapter as MAO are the responsibility of and performed by the installation head, VPs, or their department heads.

##### **5-1.4.2 Material Accountability Officers**

MAOs are responsible for overseeing compliance with all asset accountability policies and procedures within their unit. MAO responsibilities include, but are not limited to, the tracking and documentation of personal property from the point of notification that an item is pending receipt to its final disposition or transfer to another organization. Documentation is maintained through the regular review and record keeping of the receipts, transfers, loans, and disposal of items.

The documentation of capital property records is critical and is to be performed on a regular basis. The MAOs are responsible for managing the Annual Capital Property Review conducted annually and for certifying their completion. The Asset Accountability Service Centers (AASCs) are available to provide training, technical guidance, and support to facilitate the maintenance of property records and review and process all capital property transfer and disposal requests.

MAO responsibilities include the following:

- a. Manage the Annual Capital Property Review process including the verification and completion of the Annual Capital Property Certification and the retention of all related documentation.
- b. Ensure all capital property arrives with or is assigned a capital property sticker that can be clearly seen.

- c. Ensure that all capital property verification, physical inventory, and reconciliation procedures are followed.
- d. Provide training for all individuals (e.g., functional managers) that are assigned sub-custody of assets.
- e. Pull the Property Changes for the Month (PCFM) report for the appropriate finance number on a monthly basis. This report is available in SEAM Business Intelligence (BI) (preferred) or the Enterprise Data Warehouse (EDW).
- f. Ensure that all changes (additions and deletions) in the PCFM report of capital property are documented. If there is a discrepancy, document the discrepancy, contact your AASC, and forward a copy of the PCFM to San Mateo Accounting Services. If there are no discrepancies, file the PCFM in the PCFM folder.
- g. Add or update extended descriptions into SEAM to assist in the accurate identification of capital assets.
- h. Maintain loan records on all capital and expendable property loaned to private mailers, employees, and other finance numbers.
- i. Monitor and maintain capital, expendable, and sensitive material accountability records and files.
- j. Ensure prompt and proper disposal of all material declared obsolete, surplus, or not repairable, and authorized for disposal.
- k. Enter excess property into the Excess Items Catalog (EIC) on eBuyPlus or report the excess to the supporting AASC.
- l. Ensure proper receiving procedures are followed as outlined in Chapter 2 of this handbook.

#### **5-1.4.3 Functional Managers**

Functional managers are responsible for all property used in their part of the organization. They sign the subcustody records for their area of responsibility and are accountable through those records for all their capital and sensitive property.

Any time a new functional manager is assigned, he or she ensures that subcustody records are accurate and signs a new subcustody listing accepting accountability of the property in his or her part of the organization. Functional managers may assign a material accountability assistant to work with the MAO on a day-to-day basis to maintain the accuracy of their property records and files. They must provide personnel as required to assist in conducting the Annual Capital Property Review.

#### **5-1.4.4 Supervisory Personnel**

Supervisory personnel ensure proper use, maintenance, and security of all capital, expendable, and sensitive property used by the employees they supervise. Supervisory personnel notify the MAO of transfers, additions, relocations, loans, excess, loss, damage, or theft of property.

#### **5-1.4.5 District Finance Managers**

District Finance Managers oversee inventory control for all capital, expendable, and sensitive property within their district.

#### **5-1.4.6 Asset Accountability Service Centers**

AASCs are responsible for supporting property procedures. These responsibilities include monitoring activities, training, and supporting the finance managers, installation heads, and MAOs.

### **5-1.5 Definitions**

- a. *Capital property* is an asset acquired through purchase, transfer, or donation that meets each of the following criteria:
  - 1. Has a service life of more than 1 year.

2. Can be identified as a stand-alone item of property throughout its useful life.
  3. Unit cost is \$10,000 or more.
  4. Depreciates in value.
- b. *Capital Property Listing (CPL)* is a list of capital property assigned to a finance number. This report is available in SEAM BI — the preferred location — or EDW.
  - c. *Depreciation* is the periodic expensing of capital equipment costs over an estimated useful service life. Depreciation expense is calculated by dividing the total cost of the equipment by the number of months in the service life. The Postal Service uses the straight line method of depreciation to allocate the cost of an item in equal increments over the service life. Depreciation written off due to an entry within the Disposal Workflow in SEAM or by an action from *PS Form 2880, Physical Inventory Certification/Adjustments*, is charged to a service-wide account and not to the local finance number.
  - d. *Expendable property* (property purchased with expense funds) includes assets costing less than \$10,000, such as repair parts, replacement components, batteries, motors (regardless of cost) and, for the most part, mail transport equipment, workroom furniture, and the like are considered expendable property. The costs of these items are charged to an expense account and are not depreciated.
  - e. *Excess Items Catalog (EIC)* is a Postal Service system listing excess items available for acquisition. The EIC is a module on eBuyPlus and is available to all eBuyPlus users.
  - f. *Property Changes for the Month (PCFM)* is a report available from SEAM BI or the EDW that shows the capital property additions, deletions, retirements, adjustments, etc. that occurred to a finance number during the previous month(s).
  - g. *Sensitive property* is a subcategory of expendable (non-capital) property. Sensitive property consists of items considered especially vulnerable to theft or loss. Examples include computers, laptops, cell phones, digital cameras, camcorders, projectors, and other valuable portable equipment the installation head considers vulnerable to theft or loss.
  - h. *Service life* is the estimated average number of useful years assigned to an asset. Service life is expressed in years, but is converted to months for the purpose of calculating depreciation expense. The service life for capital property items can be found in Handbook F-43, *Property Code Numbers*.

#### **5-1.6 Postal Forms and Reports**

Applicable Postal Service forms are the following:

- a. PS Form 969, *Material Recycling and Disposal (Noncapital)* (for noncapital/expendable assets).
- b. PS Form 1590, *Supplies and Equipment Receipt*.
- c. PS Form 2880, *Physical Inventory Certification/Adjustments*.
- d. *PS Form 7340, Property Transfer Request* (for noncapital/expendable assets).
- e. Capital Property Listing (CPL). This report is available in SEAM BI — the preferred location — or EDW.
- f. Capital Property Monthly Change List. This report is available in SEAM BI — the preferred location — or EDW.

#### **5-2 Postal Service Capital Property Systems**

##### **5-2.1 Property and Equipment Accounting System**



#### *5-2.1.1 Description*

The Property and Equipment Accounting System (PEAS) is the system used by San Mateo Accounting Services to track and depreciate capital property assets. The system is designed to record capital personal property transactions and maintain a national inventory of capital personal property. The system tracks each item of capital personal property through the acquisition, use, and disposal stages. The PEAS inventory record is related to the finance number of the installation to which the property is assigned. It can provide accountability information within the finance number. A primary function of the PEAS is to calculate, allocate, and record depreciation expense against the finance number of the holding organization. PEAS transmits additions, adjustments, and asset information updates to SEAM, and it processes data for transfers and retirements that are interfaced from SEAM.

#### *5-2.1.2 Access*

To request access to PEAS, submit an eAccess request. Access to PEAS will be restricted to Accounting personnel and specific employees in Asset Management.

### **5-2.2 Solution for Enterprise Asset Management**

#### *5-2.2.1 Description*

Solution for Enterprise Asset Management (SEAM) is the system used by the AASC and MAOs to manage capital property assets. The system is designed to automate the disposal and transfer process by implementing work flows to route approvals to the appropriate manager or designated employee. This system eliminates the hard copy PS Form 969 and PS Form 7340 for these capital property activities. The system also automates the Annual Capital Property Certification. MAOs can add or update extended descriptions in SEAM with make, model, serial number, location, etc. to identify each asset in more detail. SEAM transmits data to PEAS to continue the tracking of personal property through the acquisition, use, and disposal stages.

#### *5-2.2.1 Access*

To request access to SEAM, submit an eAccess request for the appropriate Personal Property role — MAO, performance cluster (PFC) finance manager, HQ Accounting, or AASC. Contact an AASC for additional information and training.

### **5-2.3 SEAM Business Intelligence**

The SEAM BI system is used to obtain the list of Capital Property assigned to each finance number and the transaction history of capital assets. Information in SEAM BI reports come directly from SEAM.

### **5-2.4 Enterprise Data Warehouse**

The EDW is the system used to obtain the list of Capital Property assigned to each finance number. Information in the EDW reports comes directly from the PEAS.

## **5-3 Accountability and Control Requirements**

### **5-3.1 Assignment of the MAO**

#### **5-3.1.1 Considerations**

Installation heads, VPs, and their finance number accountable department heads are responsible and accountable for all material in their organization. In large facilities and organizations, it is recommended that the installation head, HQ VP, etc., delegate an employee as MAO. Installation heads, VPs, and their finance number accountable department heads must understand the magnitude of the job and provide the assigned person the time and support needed to properly perform all of the duties listed in [5-1.4.2](#).

#### **5-3.1.2 Procedures**

##### **5-3.1.2.1 Delegation**

Accountability is delegated by the installation head, VP, or the finance number accountable department head to the selected employee by letter (see [Exhibit 5-3.1.2.1](#)).

#### Exhibit 5-3.1.2.1

##### Sample Letter of Designation for Material Accountability Officer

March 2, 2020

Mr. John Brown  
(position/title)

Dear Mr. Brown:

The Postal Service requires the installation head to be responsible and accountable for material/property within the organization. It permits the installation head to delegate this accountability function to an employee referred to as the Material Accountability Officer (MAO). You are hereby designated as Material Accountability Officer for the \_\_\_\_\_ (Post Office, plant, district or department name). You will be responsible for the application of asset management procedures that are further defined in Handbook AS-701, *Asset Accountability and Inventory Management*.

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

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

Installation/Department Head

cc: Direct reports  
Employee's Supervisor/Manager  
Official Personnel File  
Asset Accountability Service Center (AASC)

#### 5-3.1.2.2 Assigning a Backup MAO

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

#### 5-3.1.2.3 MAO Training

The MAO learns material accountability by reviewing this handbook; additional training and guidance are available from a supporting AASC.

#### 5-3.1.2.4 First Tasks of MAO

The newly assigned MAO conducts a physical inventory of randomly selected assets from the CPL and reviews the capital files to determine their accuracy. A written report of the results of the physical inventory and any recommendations for improvements are provided to the installation head, VP, or the finance number accountable department head (see [Exhibit 5-3.1.2.4](#)).

Exhibit 5-3.1.2.4

**Sample Report from Material Accountability Officer**

March 2, 2020

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

Dear Ms. Smith:

- In accordance with my MAO responsibilities as outlined in Handbook AS-701, *Asset and Inventory Management*, I have performed the following tasks:
- Searched for, but could not locate, local standard operating procedures.
- Performed a physical inventory of selected capital and sensitive items.
- Reviewed the existing files and records.
- Reviewed the past six PCFM reports.
- Contacted the Asset Accountability Service Center for a general discussion concerning our records.

The findings of my review are listed below:

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

The following actions are recommended:

- Establish subcustody records using the Property and Equipment Accounting System (PEAS) and a locally established database.
- Functional managers should maintain subcustody records for their areas of responsibility.
- Conduct annual verifications as part of establishing subcustody records.
- Develop local standard operating procedures.

John Brown  
Contract Technician/Material Accountability Officer

**5-3.1.2.5 Subcustody Records**

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

**5-3.1.2.6 Loaning Capital and Expendable Property**

For accountability of capital property and expendable equipment, PS Form 1590, *Supplies and Equipment Receipt*, or the equivalent, is used when the items are issued or loaned. In cases where sensitive property is assigned to individuals for use in the field, a PS Form 1590 or similar



document should be used to assign accountability. The MAO maintains a copy of each PS Form 1590 and conducts periodic reviews to ensure the listed item(s) is still being used for the intended purpose and is in serviceable condition.

PS Form 1590 is available on the Postal Service PolicyNet website:

- Go to [blue.usps.gov](http://blue.usps.gov).
- In the left-hand column under "Essential Links," click *PolicyNet*.
- Click *Forms*.

The direct URL for the Postal Service PolicyNet website is [blue.usps.gov/cpim](http://blue.usps.gov/cpim).

## 5-4 Filing System

### 5-4.1 General

The MAO is responsible for maintaining a filing system that contributes to sound accountability and control. A well-documented filing system improves both capital and expendable asset accountability.

### 5-4.2 Suspense File (Capital and Expendable)

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

- a. Purchase/delivery order documents.
- b. eBuyPlus requisitions.
- c. PS Form 7340, pending signature (for noncapital/expendable assets).
- d. Personal Property Pending Approval Report (for capital assets). This report is available in SEAM.

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

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

**Note:** When property is not received as expected, contact the shipping organization or supplier.

PS Form 7340 is available on the Postal Service PolicyNet website:

- Go to [blue.usps.gov](http://blue.usps.gov).
- In the left-hand column under "Essential Links," click *PolicyNet*.
- Click *Forms*.

The direct URL for the Postal Service PolicyNet website is [blue.usps.gov/cpim](http://blue.usps.gov/cpim).

### 5-4.3 Expendable Property Transaction File (Completed File)

The expendable property transaction file is a chronological file used to retain documentation relating to expendable (including sensitive property) equipment receipts, transfers, or disposals. Keep documentation in this file for at least 1 year but no more than 2 years.

### 5-4.4 Pending Verification File (Capital File)

The pending verification file is used to retain documentation pertaining to items that have been received, transferred, or deleted but that are still pending approval in the automated workflow in SEAM, or for a PS Form 2880 that has not yet been processed by San Mateo Accounting

Services. When the PCFM reflecting this transaction is obtained from the EDW, or when the Asset Deactivation/Transfer Report in SEAM indicates that the transaction has been completed, remove the appropriate documentation, attach it to the PCFM or SEAM report, and file the documentation in the Verified Capital Property File. The file can contain the following documents:

- a. PS Form 2880 (pending adjustments by San Mateo Accounting Services).
- b. Personal Property Pending Approval Report. This report is available in SEAM.
- c. USPS Asset Audit Status Report. This report is available in SEAM.

#### **5-4.5 Verified Capital Property File**

The verified capital property file is used to retain documentation pertaining to capital property received. Files should be organized by fiscal year (FY). Separate monthly folders may be maintained, if volume warrants. Capital property records are retained for 5 years. The capital physical inventory worksheets and supporting documentation may be placed in this file. The file contains the following:

- a. Verified PCFM reports or Asset Deactivation/Transfer Reports in SEAM with supporting documentation.
- b. CPL. This report is available in SEAM BI — the preferred location — or EDW.
- c. PS Form 2880 (with PCFM verifying adjustments attached).
- d. USPS Asset Audit Status Report. This report is available in SEAM.

**Note:** SEAM stores all capital property transactions and records for the appropriate retention period.

#### **5-4.6 Loan File**

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

### **5-5 Transactions**

#### **5-5.1 Receipt Processing**

##### **5-5.1.1 General**

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

##### **5-5.1.2 Delivery Documentation**

The MAO maintains a suspense file containing documentation necessary to identify material to be received through acquisition or transfer. The MAO reviews these documents weekly and makes arrangements or plans to receive the property. A central receiving point for property must be established.

##### **5-5.1.3 Receiving**

Designated receiving personnel and the MAO are responsible for receipt of any property. Designated receiving personnel inspect the property, sign, and date the receiving or freight documents, and forward all receiving information to the MAO.

**Note:** Annotate all receiving documents with the following: "Accepted upon further inspection."



## 5-5.2 Transfers

### 5-5.2.1 Authorization

The transfer or movement of capital, sensitive, or expendable property is approved by the appropriate unit manager, installation head, VP, or finance number accountable department head. Notify the MAO of all property transfers.

### 5-5.2.2 Internal Transfers

Notify the MAO of the internal transfer/relocation of equipment within a finance number. Provide the MAO the capital property ID number, name, title, and the requester's location. The MAO updates the subcustody records with the new location and contact using the Extended Description field and Attributes field in SEAM.

### 5-5.2.3 External Transfers

The Transfer Workflow in SEAM is required for the transfer of capital property assets to another organization (finance number). This replaces the hard copy PS Form 7340. The transfer process is as follows:

- a. The transferring MAO initiates the Transfer Workflow in SEAM by indicating the capital property identification (ID) number being transferred and the receiving finance number.
- b. After the receiving site receives the asset, the MAO accepts the transfer in SEAM and updates the extended description to reflect its current location or attributes.
- c. The transfer is then routed to the servicing AASC, which either reviews and accepts the transaction and transfers accountability from the shipper finance number to the consignee finance number, or rejects the transfer and sends it back to the initiating MAO.
- d. SEAM stores documentation of the transfer, showing the MAO who initiated the transfer, the receiving MAO who accepted the transfer, and the inventory control specialist (ICS) at the AASC who approved it. (SEAM also stores documentation of a rejection.)

**Note:** The shipping and receiving office's MAO can track the transfer through the Personal Property Pending Approval Report or the Asset History Report in SEAM.

## 5-5.3 Equipment Loans

Capital or expendable equipment loaned to a private mailer or a Postal Service activity with a different finance number require PS Form 1590, *Supplies and Equipment Receipt*, documentation and a quarterly review by MAO to ensure that the items are being used for the purpose agreed to and returned on time.

PS Form 1590 is available on the Postal Service PolicyNet website:

- Go to [blue.usps.gov](http://blue.usps.gov).
- In the left-hand column under "Essential Links," click *PolicyNet*.
- Click *Forms*.

The direct URL for the Postal Service PolicyNet website is [blue.usps.gov/cpim](http://blue.usps.gov/cpim).

If capital property with undepreciated value is loaned to another Postal Service activity with a different finance number for 4 or more months, the property should be transferred, not loaned. This allows the depreciation to be charged to the using activity. Upon receipt and approval of the loan request, the MAO prepares a PS Form 1590 in triplicate. When the equipment is delivered, the borrower will:

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

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

#### **5-5.4 Excess, Surplus, Obsolete, and Unserviceable Equipment**

Refer to Chapter 6 for further guidance on this subject.

The owning organization is responsible for identifying and determining serviceability of excess equipment before it is reported to the MAO for entry in the Excess Item Catalog (EIC) in eBuyPlus. Assistance in determining serviceability may be obtained through the appropriate maintenance or functional manager.

The AASCs approve or reject the addition of items to the EIC and coordinate the reassignment of excess equipment. Only serviceable excess items may be listed in the EIC.

#### **5-5.5 Disposal**

##### **5-5.5.1 Normal Process**

Disposal of Postal Service capital property follows the normal disposal process described in Chapter 6 — however, the key difference in the disposal of capital property is that the asset must be entered into the SEAM Disposal Workflow. The workflow forwards the request to the appropriate approvers for review and processing. Any undepreciated value on a disposed item is immediately charged to a service-wide account as soon as the disposal is completed and transmitted to PEAS. A completed disposal includes all of the required approvals.

##### **5-5.5.2 Disposals Requiring Special Approval**

Refer to Chapter 6.

#### **5-6 San Mateo Accounting Services Documents**

##### **5-6.1 General**

San Mateo Accounting Services provides two tools to assist the field in the verification of Capital Property records. PEAS is the Postal Service master file that maintains accountability of capital personal property to a finance number.

The verification tools from San Mateo Accounting Services are:

- a. Property Change for Month (PCFM) report. The PCFM is sent only to sites that are receiving a newly purchased capital property item added to its accountability in a given month.
- b. ID label. The label is a self-adhesive bar coded label with a unique numeric or alphanumeric number ranging from 6 to 15 characters. The ID label is to be applied to each item of capital property.

Diligent use of these tools enables the USPS to maintain accurate records and avoid the added cost in time and money needed to correct errors during the Annual Capital Property Review.

##### **5-6.2 Property Change for Month and Capital Property Listing**

The generic description shown on the Property Change for Month (PCFM) report and the Capital Property Listing (CPL) is based on the property code number (PCN), which covers a broad category. (Refer to Handbook F-43, *Property Code Numbers*, for the master list of PCNs) By adding or updating the extended description field in SEAM to each item of capital property assigned to a finance number, individual items can be more easily tracked. The extended description field provides space for alphanumeric characters to describe characteristics such as make, model, item description, serial number, and location. The extended description field appears on the CPL extracted from SEAM BI (not from the EDW). An MAO with SEAM access or AASC personnel can change/add extended descriptions. These reports are available in the EDW and SEAM BI. The Postal Service recommends pulling the CPL from SEAM BI, which displays the extended descriptions.

##### **5-6.3 ID Labels**

###### **5-6.3.1 General**

ID labels are laminated self-adhesive tags that contain a unique multi-character (six to 15 characters) number (numeric or alphanumeric) that is assigned to each item of capital property.

The ID label/tag is affixed to each capital property item to identify it as postal property and to tie it to its corresponding record in the corporate accounting system (PEAS) The ID label remains with the property throughout its life. See [5-6.3.4](#) for exceptions.

#### **5-6.3.2 Issuance for New Capital Property**

San Mateo Accounting Services assigns an ID number to an item when it first enters PEAS. This number is put on the ID label except as noted in [5-6.3.4](#). The ID label is forwarded to the facility along with the PCFM. If the item is shipped to another facility, the ID number and label stay with the equipment. For some projects, the ID labels are provided to the manufacturer for affixing prior to receipt at the installation.

#### **5-6.3.3 Duplicate/Replacement ID Labels**

If replacement of the ID label is necessary due to damage or loss, a replacement can be requested from San Mateo Accounting Services by sending an email request to: "SMASC Capital Equipment".

#### **5-6.3.4 Verifying and Affixing ID Labels**

Each ID label received is checked to verify that the ID numbers match the PCFM report. Notify San Mateo Accounting Services or the AASC of any discrepancies. After verification, affix the ID label to the equipment in a location that is easy to view and scan.

If an item cannot be labeled or a specific instruction indicates not to attach the label (e.g., on a POS One [Point Of Service terminal] or a wide field of view [WFOV] camera), the ID label will be retained with the PCFM or the CPL. When transferring POS One terminals or WFOV cameras, forward the ID label to the receiving activity MAO.

### **5-6.4 PCFM Procedures**

#### **5-6.4.1 General**

For each month in which San Mateo Accounting Services posts any changes to an installation's capital property records, a PCFM showing the deletions, additions, and adjustments will be available in the EDW. PCFMs will only be mailed by San Mateo for months in which new Postal Service acquisitions (not including transfers) are added to an installation's records. MAOs run the PCFM reports from the EDW for all months with activity other than new acquisitions. Access to the EDW is requested through eAccess – for additional guidance on how to run this report, contact the supporting AASC.

ID labels attached to PCFM reports sent by San Mateo Accounting Services must match the numbers listed on the report. The MAO ensures that this list is checked against the pending verification file and takes corrective action to resolve differences.

PCFMs with discrepancies are annotated and a copy returned to San Mateo Accounting Services. When forwarding a copy to San Mateo Accounting Services, include name, phone number, and best time to reach the MAO.

#### **5-6.4.2 Verification of Entries**

The following are the procedures for verifying entries:

**Step 1:** Compare the PCFM transactions with the documents in the Pending Verification File.

**Step 2:** The activity charged with accountability is responsible for determining and resolving all errors. Contact the supporting AASC if you need guidance on how to resolve discrepancies.

**Step 3:** Annotate on the PCFM what information was found during the research and what action is being taken to correct the transaction; forward supporting documentation for changes or corrections with the PCFM to San Mateo Accounting Services.

**Step 4:** If all entries on the PCFM are correct, attach the supporting documents from the Pending Verification File and place in the Verified File.

**Step 5:** If entries on the PCFM need corrective action, place in the Pending Verification File until all actions are complete.



**Step 6:** Review the Pending Verification File periodically for previously requested changes that have not been listed on a PCFM. Forward a copy of these documents again to San Mateo Accounting Services indicating it is a second request. Annotate on the file copy the date the second request was forwarded.

## **5-6.5 Capital Property Listing Procedures**

### **5-6.5.1 General**

At least once a year, the MAO prints the CPL from SEAM or the EDW and physically verifies each item.

### **5-6.5.2 Verification Procedures**

Verify the CPL with subcustody records and resolve any discrepancies. Information on the CPL should match the local records. Research and resolve discrepancies so that the data in PEAS or SEAM matches the local property records.

An incorrect record at one activity may indicate a corresponding incorrect record at another activity; consequently, it is important to conduct due diligence to correct errors. Adding or deleting capital property using a PS Form 2880 should be a tool of last resort.

The undepreciated value on an item deleted by a PS Form 2880 is immediately charged to a service-wide account. Provide write-off (undepreciated value) information to the finance or accounting office. The installation head signs PS Form 2880 prior to submitting the form to the supporting AASC for review and processing.

PS Form 2880 is available on the Postal Service PolicyNet website:

- Go to [blue.usps.gov](http://blue.usps.gov).
- In the left-hand column under "Essential Links," click *PolicyNet*.
- Click *Forms*.

The direct URL for the Postal Service PolicyNet website is [blue.usps.gov/cpim](http://blue.usps.gov/cpim).

## **5-7 Subcustody Records**

### **5-7.1 Establishment**

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

### **5-7.2 Update and Verification**

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

**Step 1:** The MAO updates the appropriate file with all receipts, transfers, disposal, changes, etc., within 3 days of the transaction.

**Step 2:** The MAO provides an up-to-date copy (as of the end of the fiscal quarter) of the subcustody record and a copy of documents supporting any changes to the functional manager within 5 days of the end of the fiscal quarter.

**Step 3:** The functional manager reviews the report and accompanying documentation for correctness, signs the certification at the bottom, and sends the updated certified subcustody report to the MAO.

**Step 4:** The MAO and functional managers work together to resolve any discrepancies.

## **5-8 Annual Capital Property Review**

### **5-8.1 Frequency**


HQ Internal Control annually provides Supply Management Asset Accountability with a cycle count sampling of USPS capital property assets. Asset Accountability loads the sampling data

into SEAM, and then creates and distributes the Annual Capital Property Certification (associated by finance number organizations). Then, the MAOs who have certifications in SEAM receive notification that the certifications are available. MAOs can use the Annual Capital Property Certification Checklist (see Exhibit 5-8.1) to conduct the certification and to enter findings into SEAM. The sampling methodology is designed so that over a 4-year cycle every capital property asset owned by the Postal Service will be verified.

**Note:** Capitalized software is excluded from the Annual Capital Property Reviews.

Exhibit 5-8.1

## Annual Capital Property Certification Checklist



Solution for Enterprise Asset Management (SEAM)

Report Date: 04-SEP-2019 08:26:46

USPS Annual Capital Property Certification Checklist

Page: 1 of 10

Finance Number: 417965: PHILADELPHIA PA P&DC

Asset Number	Extended Description	Asset Description	Contract Number	Date Placed in Service	Current Cost (\$)	Net Book Value (\$)	Asset Found Circle only one Y or T or D or N
PC680205B 000124		MPNACS(ForeScout )		09-FEB-2017	41,967.80	20,284.48	Y T D N
PE660001A 000173	NEXT GENERATION TRANSACTION CONCENTRATOR / CONTRACT #1BITSV11C1092, 1CITHW13C0076 & 1BITSW12B0010	Next Generation Transaction Concentrator		28-FEB-2014	22,302.55	0.00	Y T D N
PE680057A 000003		IDS NDSS		29-JUL-2009	92,061.50	0.00	Y T D N
PI680076A0 00078		PASS		20-MAR-2013	23,309.70	0.00	Y T D N
PI680249A0 00028		MICS		04-NOV-2016	27,287.14	11,824.39	Y T D N
PM201468A 000067		PIVMS		30-JAN-2015	4,000.00	2,133.37	Y T D N

### 5-8.2 Procedures

The following are the procedures for an Annual Capital Property Review:

**Step 1:** Via the *Postal Bulletin*, Supply Management provides an initial notification to all postal activities of an upcoming Annual Capital Property Review.

**Step 2:** The month prior to a scheduled Annual Capital Property Review, the AASC runs a "Missing Role" report in SEAM to identify finance numbers without an MAO assigned. Upon request, each installation head or vice president (and/or their finance number accountable department head[s]) provides the name and contact information of the MAO for each unique finance number under his or her purview to its supporting AASC. The AASC provides instruction on how to request the MAO role in eAccess.

**Step 3:** Instructions for completing the Annual Capital Property Review are available on the designated AASC website. Additionally, training or guidance is available from the AASCs upon request.

**Step 4:** Prior to the inventory, the MAOs conduct training for anyone assisting in the certification. The training emphasizes the importance of the Annual Capital Property Review (number of items, location, dollar value, depreciation, etc.) to the Postal Service.

**Step 5:** Supply Management provides the Annual Capital Property Certification to the MAO assigned to each selected finance number to conduct an Annual Capital Property Review. Supply Management provides the MAO with a link to enter SEAM to access the items to be audited. Only assets to be inventoried are listed in the Asset Workbench.

**Step 6:** The MAOs conduct and complete the Annual Capital Property Review as instructed by local management and/or their supporting AASC.



a. Each asset listed on the Annual Capital Property Certification is to be physically located. Assets not located are researched to determine what happened. The supervisor of the section in which there is a missing asset is notified to provide assistance in completing the research.

b. The MAO reconciles inventory changes, adjustments, etc. The operative word is reconciliation. It means determining what happened and processing the correct documentation. Examples:

(1) If an asset was transferred to another facility and its location is verified, the MAO indicates "Transferred" in the Asset Workbench for this asset and enters the finance number of the receiving office. This will initiate the Transfer Workflow in SEAM.

(2) If an asset was disposed of, the MAO indicates "Not Found/Disposed" in the Asset Workbench for this asset and selects the disposal code. This initiates the Disposal Workflow in SEAM.

c. If an asset listed on the Annual Capital Property Certification cannot be located or accounted for, the MAO indicates "Not Found/Disposed" in the Asset Workbench for this asset and selects the disposal code NOT FOUND-CERT. This initiates the Disposal Workflow in SEAM.

**Step 7:** This step provides local review and approval. Upon completion of the physical inventory process, the MAO or the appropriate functional manager/installation head runs a USPS Asset Audit Status Report in SEAM to validate that all asset numbers scheduled to be audited have been completed. This report is stored within SEAM for the 5-year retention period and may be printed as necessary.

**Step 8:** The AASC processes the Annual Capital Property Certification as follows:

a. The AASC reviews all assets marked as "Disposed/Not Found" or "Transferred" that are sent through the Disposal and Transfer Workflows. The AASC is the final approver before the change is made and sent electronically to San Mateo Accounting Services. After going through the approval workflow, each asset is then listed as "completed." If rejected during the workflow, it is returned to the MAO and reverts to a "pending" status.

b. Assets marked as "Found" require no further action and are considered "completed." There is no review from AASC.

c. The AASC monitors the status of each Annual Capital Property Review through reports in SEAM.

d. The AASC provides summary status reports on the progress of the Annual Capital Property Review to Supply Management Asset Accountability, to HQ Internal Reporting, and to the area/district/PFC Finance managers.

e. The AASC informs Supply Management Asset Accountability, HQ Internal Reporting, and the area/district/PFC Finance managers when the Annual Capital Property Review is completed.

f. At the completion of the Annual Capital Property Review, the AASC sends a report from SEAM to the manager of Internal Reporting for each unit finance number that has a total undepreciated balance of at least \$100,000 for deletions ("Disposed/Not Found"). Individual assets with an undepreciated balance of at least \$100,000 have to be approved by the manager of Internal Reporting in the Disposal Workflow. The AASC forwards supporting documentation (if any) via email or mail upon request to the following address:

MANAGER, INTERNAL REPORTING  
475 L'ENFANT PLAZA SW RM 8831  
WASHINGTON DC 20260-5245

**Note:** Only AASC personnel may submit completed Annual Capital Property Certification documentation and reports to Internal Reporting.

**Step 9:** The MAO submits a cause and corrective action report to the installation head or functional manager. The report contains specific causes, corrective actions, and schedules to correct problems recognized during the Annual Capital Property Review. (For a sample report, see [Exhibit 5-3.1.2.4.](#))

**Step 10:** At the conclusion of each Annual Capital Property Review, the AASC provides a list of delinquent finance numbers to senior management.

**Step 11:** At the conclusion of the Annual Capital Property Review, the AASC verifies that all transactions that went through the automated workflows in SEAM (i.e., all certified assets that were transferred or disposed) have been uploaded to the National Accounting Oracle Financials Application (NAOFA). The AASC does this by using the Asset Audit Error Report and the Asset Deactivation/Transfer Report in SEAM. If there are any issues, the AASC addresses them to the Process Improvement and Analytics team within Asset Management.

## 5 Asset Accountability

### 5-1 Introduction

#### 5-1.1 Policy

Postal Service assets must be protected from loss, theft, damage, etc. and be accounted for according to the policies and processes outlined in this chapter. Asset accountability and control are the responsibilities of all Postal Service personnel; installation heads, vice presidents, and department heads are ultimately responsible for all assets under their purview.

#### 5-1.2 Applicability

These policies and procedures apply to the control and accountability of both capital and expense assets owned by the Postal Service.

#### 5-1.3 Purpose

The purpose of this chapter is to:

- a. Define the responsibilities of the material accountability officer (MAO).
- b. Provide guidance on establishing a filing system to facilitate the accounting and control of Postal Service assets.
- c. Define processes and procedures for receiving, loaning, and the transfer of Postal Service assets.
- d. -Define a SOX-compliant process for the periodic review of Postal Service assets.

#### 5-1.4 Responsibilities

##### 5-1.4.1 Installation Heads, HQ Vice President Organizations, and HQ Field Organizations

Installation heads, vice presidents (VPs), and their department heads are responsible and accountable for all material in their respective organizations. They may designate an MAO in writing who will act as their representative for asset accountability (see [5-3.1.2.1](#)). If the installation head, VP, and their department heads do not designate an MAO, all actions outlined in this chapter as MAO are the responsibility of and performed by the installation head, VPs, or their department heads.

##### 5-1.4.2 Material Accountability Officers

MAOs are responsible for overseeing compliance with all asset accountability policies and procedures within their unit. MAO responsibilities include, but are not limited to, the tracking and documentation of personal property from the point of notification that an item is pending receipt to its final disposition or transfer to another organization. Documentation is maintained through the regular review and record keeping of the receipts, transfers, loans, and disposal of items.

The documentation of capital property records is critical and is to be performed on a regular basis. The MAOs are responsible for managing the Annual Capital Property Review conducted annually and for certifying their completion. The Asset Accountability Service Centers (AASCs) are available to provide training, technical guidance, and support to facilitate the maintenance of property records and review and process all capital property transfer and disposal requests.

MAO responsibilities include the following:

- a. Manage the Annual Capital Property Review process including the verification and completion of the Annual Capital Property Certification ~~Reports~~ and the retention of all related documentation.
- b. Ensure all capital property arrives with or is assigned a capital property sticker that can be clearly seen.

- c. Ensure that all capital property verification, physical inventory, and reconciliation procedures are followed.
- d. Provide training for all individuals (e.g., functional managers) that are assigned sub-custody of assets.
- e. Pull the Property Changes for the Month (PCFM) report for the appropriate finance number on a monthly basis. This report is available ~~on the EDW in~~ SEAM Business Intelligence (BI) (preferred) or the Enterprise Data Warehouse (EDW).
- f. Ensure that all changes (additions and deletions) in the PCFM report of capital property are documented. If there is a discrepancy, document the discrepancy, contact your AASC, and forward a copy of the PCFM to San Mateo Accounting Services. If there are no discrepancies, file the PCFM in the PCFM folder.
- g. ~~Work with the respective AASC to add~~ Add or update extended descriptions into PSEASM to assist in the accurate identification of capital assets.
- h. Maintain loan records on all capital and expendable property loaned to private mailers, employees, and other finance numbers.
- i. Monitor and maintain capital, expendable, and sensitive material accountability records and files.
- j. Ensure prompt and proper disposal of all material declared obsolete, surplus, or not repairable, and authorized for disposal.
- k. Enter excess property into the Excess Items Catalog (EIC) on eBuy2Plus or report the excess to the supporting AASC.
- l. Ensure proper receiving procedures are followed as outlined in Chapter 2 of this handbook.

#### **5-1.4.3 Functional Managers**

Functional managers are responsible for all property used in their part of the organization. They sign the subcustody records for their area of responsibility and are accountable through those records for all their capital and sensitive property.

Any time a new functional manager is assigned, he or she ensures that subcustody records are accurate and signs a new subcustody listing accepting accountability of the property in his or her part of the organization. Functional managers may assign a material accountability assistant to work with the MAO on a day-to-day basis to maintain the accuracy of their property records and files. They must provide personnel as required to assist in conducting the Annual Capital Property Review.

#### **5-1.4.4 Supervisory Personnel**

Supervisory personnel ensure proper use, maintenance, and security of all capital, expendable, and sensitive property used by the employees they supervise. Supervisory personnel notify the MAO of transfers, additions, relocations, loans, excess, loss, damage, or theft of property.

#### **5-1.4.5 District Finance Managers**

District Finance Managers oversee inventory control for all capital, expendable, and sensitive property within their district.

#### **5-1.4.6 Asset Accountability Service Centers**

~~Asset Accountability Service Centers (AASCs)~~ AASCs are responsible for supporting property procedures. These responsibilities include monitoring activities, training, and supporting the finance managers, installation heads, and MAOs.

#### **5-1.5 Definitions**

- a. *Capital property* is an asset acquired through purchase, transfer, or donation that meets each of the following criteria:
  - 1. Has a service life of more than 1 year.



2. Can be identified as a stand-alone item of property throughout its useful life.
  3. Unit cost is \$10,000 or more.
  4. Depreciates in value.
- b. *Capital Property Listing (CPL)* is a list of capital property assigned to a finance number; ~~this list. This report~~ is available ~~from~~ SEAM BI — the Enterprise Data Warehouse (preferred location — or EDW).
  - c. *Depreciation* is the periodic expensing of capital equipment costs over an estimated useful service life. Depreciation expense is calculated by dividing the total cost of the equipment by the number of months in the service life. The Postal Service uses the straight line method of depreciation to allocate the cost of an item in equal increments over the service life. Depreciation written off due to ~~a PS Form 969, Material Recycling and an entry within the~~ Disposal; Workflow in SEAM or by an action from PS Form 2880, Physical Inventory — Certification/Adjustments, ~~action will be~~ charged to a servicewide/service-wide account and not to the local finance number.
  - d. *Expendable property* (property purchased with expense funds) includes assets costing less than \$10,000, such as repair parts, replacement components, batteries, motors (regardless of cost) and, for the most part, mail transport equipment, workroom furniture, and the like are considered expendable property. The costs of these items are charged to an expense account and are not depreciated.
  - e. *Excess Items Catalog (EIC)* is a Postal Service system listing excess items available for acquisition. The EIC is a module on eBuy~~2Plus~~ and is available to all eBuy~~2Plus~~ users.
  - f. *Property Changes for the Month (PCFM)* is a report available from SEAM BI or the EDW that shows the capital property additions, deletions, retirements, adjustments, etc. that occurred to a finance number during the previous month(s).
  - g. *Sensitive property* is a subcategory of expendable (non-capital) property. Sensitive property consists of items considered especially vulnerable to theft or loss. Examples include computers, laptops, cell phones, digital cameras, camcorders, projectors, and other valuable portable equipment the installation head considers vulnerable to theft or loss.
  - h. ~~-Service life~~ is the estimated average number of useful years assigned to an asset. Service life is expressed in years, but is converted to months for the purpose of calculating depreciation expense. The service life for capital property items can be found in Handbook F-43, *Property Code Numbers*.

### 5-1.6 Postal Forms and Reports

Applicable Postal Service forms are the following:

- a. PS Form 969, *Material Recycling and Disposal*; ~~(Noncapital)~~ (for noncapital/expendable assets).
- b. PS Form 1590, *Supplies and Equipment Receipt*.
- c. PS Form 2880, *Physical Inventory Certification/Adjustments*.
- d. *PS Form 7340, Property Transfer Request*; ~~PS Form 7340, Property Transfer Request~~ (for noncapital/expendable assets).
- e. ~~Annual Capital Property Certification Report.~~
- f. ~~e. Capital Property Listing (CPL) [an Enterprise Data Warehouse (EDW)]. This report;~~ is available in SEAM BI — the preferred location — or EDW.
- g. ~~f. Capital Property Monthly Change List (EDW). This report;~~ is available in SEAM BI — the preferred location — or EDW.

### 5-2 Postal Service Capital Property Systems

#### 5-2.1 ~~Enterprise Data Warehouse~~



~~The EDW is the system used to obtain the list of Capital Property assigned to each finance number. Information in the EDW reports comes directly from the Property and Equipment Accounting System (PEAS).~~

#### 5-2.21.1 Description

### **The Property and Equipment Accounting System**

#### 5-2.2.1 Description

(PEAS) is the system used by San Mateo Accounting Services to track and depreciate capital property assets. The system is designed to record capital personal property transactions and maintain a national inventory of capital personal property. The system tracks each item of capital personal property through the acquisition, use, and disposal stages. The PEAS inventory record is related to the finance number of the installation to which the property is assigned. It can provide accountability information within the finance number. A primary function of the PEAS is to calculate, allocate, and record depreciation expense against the finance number of the holding organization. PEAS transmits additions, adjustments, and asset information updates to SEAM, and it processes data for transfers and retirements that are interfaced from SEAM.

#### 5-2.21.2 Access

To request access to PEAS, submit an eAccess request. Access to PEAS will be restricted to Accounting personnel and contacts specific employees in Asset Management.

### **5-2.2 Solution for Enterprise Asset Management**

#### 5-2.2.1 Description

Solution for Enterprise Asset Management (SEAM) is the system used by the AASC and MAOs to manage capital property assets. The system is designed to automate the disposal and transfer process by implementing work flows to route approvals to the appropriate manager or designated employee. This system eliminates the hard copy PS Form 969 and PS Form 7340 for these capital property activities. The system also automates the Annual Capital Property Certification. MAOs can add or update extended descriptions in SEAM with make, model, serial number, location, etc. to identify each asset in more detail. SEAM transmits data to PEAS to continue the tracking of personal property through the acquisition, use, and disposal stages.

#### 5-2.2.1 Access

To request access to SEAM, submit an eAccess request for the appropriate Personal Property role — MAO, performance cluster (PFC) finance manager, HQ Accounting, or AASC. Contact an AASC for additional information and training.

### **5-2.3 SEAM Business Intelligence**

The SEAM BI system is used to obtain the list of Capital Property assigned to each finance number and the transaction history of capital assets. Information in SEAM BI reports come directly from SEAM.

### **5-2.4 Enterprise Data Warehouse**

The EDW is the system used to obtain the list of Capital Property assigned to each finance number. Information in the EDW reports comes directly from the PEAS.

## **5-3 Accountability and Control Requirements**

### **5-3.1 Assignment of the MAO**

#### 5-3.1.1 Considerations

Installation heads, VPs, and their finance number accountable department heads are responsible and accountable for all material in their organization. In large facilities and organizations, it is recommended that the installation head, HQ VP, etc., delegate an employee as MAO. Installation heads, VPs, and their finance number accountable department heads must understand the magnitude of the job and provide the assigned person the time and support needed to properly perform all of the duties listed in [5-1.4.2](#).

### 5-3.1.2 Procedures

#### 5-3.1.2.1 Delegation

Accountability is delegated by the installation head, VP, or the finance number accountable department head to the selected employee by letter (see [Exhibit 5-3.1.2.1](#)).

Exhibit 5-3.1.2.1

#### Sample Letter of Designation for Material Accountability Officer

~~August 15, 2011~~

March 2, 2020

Mr. John Brown  
(position/title)

Dear Mr. Brown:

The Postal Service requires the installation head to be responsible and accountable for material/property within the organization. It permits the installation head to delegate this accountability function to an employee referred to as the Material Accountability Officer (MAO). You are hereby designated as Material Accountability Officer for the \_\_\_\_\_ (Post Office, plant, district or department name). You will be responsible for the application of asset management procedures that are further defined in Handbook AS-701, *Asset Accountability and Inventory Management*.

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

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

Installation/Department Head

cc: Direct reports  
Employee's Supervisor/Manager  
Official Personnel File  
Asset Accountability Service Center (AASC)

#### 5-3.1.2.2 Assigning a Backup MAO

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

#### 5-3.1.2.3 MAO Training

The MAO learns material accountability by reviewing this handbook; additional training and guidance are available from a supporting AASC.

#### 5-3.1.2.4 First Tasks of MAO

The newly assigned MAO conducts a physical inventory of randomly selected assets from the ~~Capital Property Listing (CPL)~~CPL and reviews the capital files to determine their accuracy. A written report of the results of the physical inventory and any recommendations for improvements are provided to the installation head, VP, or the finance number accountable department head (see [Exhibit 5-3.1.2.4](#)).



Exhibit 5-3.1.2.4

**Sample Report from Material Accountability Officer**

~~August 15, 2011~~

March 2, 2020

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

Dear Ms. Smith:

- In accordance with my MAO responsibilities as outlined in Handbook AS-701, *Asset and Inventory Management*, I have performed the following tasks:
- Searched for, but could not locate, local standard operating procedures.
- Performed a physical inventory of selected capital and sensitive items.
- Reviewed the existing files and records.
- Reviewed the past six ~~Property Changes for the Month~~PCFM reports.
- Contacted the Asset Accountability Service Center for a general discussion concerning our records.

The findings of my review are listed below:

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

The following actions are recommended:

- Establish subcustody records using the Property and Equipment Accounting System (PEAS) and a locally established database.
- Functional managers should maintain subcustody records for their areas of responsibility.
- Conduct annual verifications as part of establishing subcustody records.
- Develop local standard operating procedures.

John Brown

Contract Technician/Material Accountability Officer

~~Contract Technician/Material Accountability Officer~~

**5-3.1.2.5 Subcustody Records**

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

**5-3.1.2.6 Loaning Capital and Expendable Property**

For accountability of capital property and expendable equipment, PS Form 1590, *Supplies and Equipment Receipt*, or the equivalent, is used when the items are issued or loaned. In cases

where sensitive property is assigned to individuals for use in the field, a PS Form 1590 or similar document should be used to assign accountability. The MAO maintains a copy of each PS Form 1590 and conducts periodic reviews to ensure the listed item(s) is still being used for the intended purpose and is in serviceable condition.

PS Form 1590 is available on the Postal Service PolicyNet website:

- Go to [blue.usps.gov](http://blue.usps.gov).
- In the left-hand column under "Essential Links," click *PolicyNet*.
- Click *Forms*.

The direct URL for the Postal Service PolicyNet website is [blue.usps.gov/cpim](http://blue.usps.gov/cpim).

## 5-4 Filing System

### 5-4.1 General

The MAO is responsible for maintaining a filing system that contributes to sound accountability and control. A well-documented filing system improves both capital and expendable asset accountability.

### 5-4.2 Suspense File (Capital and Expendable)

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

- a. Purchase/delivery order documents.
- b. eBuy2Plus requisitions.
- c. PS Form 7340, ~~Property Transfer Request~~, pending signature (for noncapital/expendable assets).
- e-d. Personal Property Pending Approval Report (for capital assets). This report is available in SEAM.

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

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

**Note:** When property is not received as expected, contact the shipping organization or supplier.

PS Form 7340 is available on the Postal Service PolicyNet website:

- Go to [blue.usps.gov](http://blue.usps.gov).
- In the left-hand column under "Essential Links," click *PolicyNet*.
- Click *Forms*.

The direct URL for the Postal Service PolicyNet website is [blue.usps.gov/cpim](http://blue.usps.gov/cpim).

### 5-4.3 Expendable Property Transaction File (Completed File)

The expendable property transaction file is a chronological file used to retain documentation relating to expendable (including sensitive property) equipment receipts, transfers, or disposals. Keep documentation in this file for at least 1 year but no more than 2 years.

### 5-4.4 Pending Verification File (Capital File)



The pending verification file is used to retain documentation pertaining to items that have been received, transferred, or deleted, but have but that are still pending approval in the automated workflow in SEAM, or for a PS Form 2880 that has not yet been processed by San Mateo Accounting Services. When the PCFM reflecting this transaction is obtained from the EDW, or when the Asset Deactivation/Transfer Report in SEAM indicates that the transaction has been completed, remove the appropriate document(s), documentation, attach it to the PCFM or SEAM report, and file the documentation in the Verified Capital Property File. The file can contain the following documents:

- a. PS Form 2880, ~~Physical Inventory Certification/Adjustments,~~ (pending adjustments by San Mateo Accounting Services).
- b. ~~Annual Capital Property Certification Reports (pending adjustments by San Mateo Accounting Services).~~
- c. ~~PS Form 969, Material Recycling and Disposal,~~ (pending retirement by San Mateo Accounting Services).
- d. ~~PS Form 7340, Property Transfer Request,~~ (pending transfer by an AASC).
- b. Personal Property Pending Approval Report. This report is available in SEAM.
- c. USPS Asset Audit Status Report. This report is available in SEAM.

#### 5-4.5 Verified Capital Property File

The verified capital property file is used to retain documentation pertaining to capital property received. Files should be organized by fiscal year (FY). Separate monthly folders may be maintained, if volume warrants. Capital property records are retained for 5 years. The capital physical inventory worksheets and supporting documentation may be placed in this file. The file contains the following:

- a. Verified ~~property change for the month (PCFMs)~~ PCFM reports or Asset Deactivation/Transfer Reports in SEAM with supporting documentation.
- b. ~~Capital Property Listing (CPL).~~
- b. CPL. This report is available in SEAM BI — the preferred location — or EDW.
- c. ~~PS Form 2880 (attach PCFM verifying adjustments).~~
- d. ~~c. Annual Capital Property Certification Reports (attach with~~ PCFM verifying adjustments if any attached).

#### 5-4.5 Verified Capital Property File

~~The verified capital property file is used to retain documentation pertaining to capital property received. Files should be organized by fiscal year (FY). Separate monthly folders may be maintained, if volume warrants. Capital property records are retained for 5 years. The capital physical inventory worksheets and supporting documentation may be placed in this file. The file contains the following:~~

- a. ~~Verified property change for the month (PCFMs) reports with supporting documentation.~~
- b. ~~Capital Property Listing (CPL).~~
- c. ~~PS Form 2880 (attach PCFM verifying adjustments).~~

~~Annual Capital Property Certification Reports (attach PCFM verifying adjustments if any).~~

- d. USPS Asset Audit Status Report. This report is available in SEAM.

**Note:** SEAM stores all capital property transactions and records for the appropriate retention period.

#### 5-4.6 Loan File

The Loan file, containing PS Form 1590, is the record of equipment loaned to employees, other facilities, or private mailers. Review this file at least quarterly. The installation head or the original approving authority will review items lent to non-postal organizations, such as private mailers. Loaned maintenance test equipment and tools are maintained in accordance with Handbook MS-63, *Maintenance Operations Support*. Approval to



continue the loan must be supported by a memo to the loan file. Sensitive property lists may also be filed in this file for audit purposes.

## **5-5 Transactions**

### **5-5.1 Receipt Processing**

#### **5-5.1.1 General**

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

#### **5-5.1.2 Delivery Documentation**

The MAO maintains a suspense file containing documentation necessary to identify material to be received through acquisition or transfer. The MAO reviews these documents weekly and makes arrangements or plans to receive the property. A central receiving point for property must be established.

#### **5-5.1.3 Receiving**

Designated receiving personnel and the MAO are responsible for receipt of any property. Designated receiving personnel inspect the property, sign, and date the receiving or freight documents, and forward all receiving information to the MAO.

**Note:** Annotate all receiving documents with the following: "Accepted upon further inspection."

### **5-5.2 Transfers**

#### **5-5.2.1 Authorization**

The transfer or movement of capital, sensitive, or expendable property is approved by the appropriate unit manager, installation head, VP, or finance number accountable department head. Notify the MAO of all property transfers.

#### **5-5.2.2 Internal Transfers**

Notify the MAO of the internal transfer/relocation of equipment within a finance number. Provide the MAO the capital property ID number, name, title, and the requester's location. The MAO updates the subcustody records with the new location and contact using the Extended Description field and Attributes field in SEAM.

#### **5-5.2.3 External Transfers**

~~A PS Form 7340, Property Transfer Request, Workflow in SEAM~~ is required for the transfer of capital property assets to another organization (finance number). This replaces the hard copy PS Form 7340. The transfer process is as follows:

- a. ~~The transferring MAO signs the PS Form 7340~~ initiates the Transfer Workflow in SEAM by indicating the capital property identification (ID) number being transferred and forwards a copy to the receiving MAO for review and signature finance number.
- b. ~~After the receiving MAO signs the PS Form 7340, the form is sent~~ site receives the asset, the MAO accepts the transfer in SEAM and updates the extended description to reflect its current location or attributes.
- b. ~~The transfer is then routed to the supporting servicing AASC for review, which either reviews and processing.~~
- c. Using PEAS, accepts the AASC transaction and transfers accountability from the shipper finance number to the consignee finance number. ~~WSA-WD4~~, or rejects the transfer and sends it back to the initiating MAO.

~~d. The AASC provides the transferring and receiving MAOs a copy of the PS Form 7340 after final processing. A copy of the PS Form 7340 is maintained by the transferring MAO, receiving MAO, and the supporting AASC.~~

d. SEAM stores documentation of the transfer, showing the MAO who initiated the transfer, the receiving MAO who accepted the transfer, and the inventory control specialist (ICS) at the AASC who approved it. (SEAM also stores documentation of a rejection.)

**Note:** The shipping and receiving ~~offices maintain a copy of the PS Form 7340 in the pending verification (capital) file. After office's MAO can track the transfer of accountability is verified in through the PCFM report, attach the PCFM to the PS Form 7340 and file in the Capital Personal Property Verified file Pending Approval Report or the Asset History Report in SEAM.~~

### 5-5.3 Equipment Loans

Capital or expendable equipment loaned to a private mailer or a Postal Service activity with a different finance number require PS Form 1590, *Supplies and Equipment Receipt*, documentation and a quarterly review by MAO to ensure that the items are being used for the purpose agreed to and returned on time.

PS Form 1590 is available on the Postal Service PolicyNet website:

- Go to [blue.usps.gov](https://blue.usps.gov).
- In the left-hand column under "Essential Links," click *PolicyNet*.
- Click *Forms*.

The direct URL for the Postal Service PolicyNet website is [blue.usps.gov/cpim](https://blue.usps.gov/cpim).

If capital property with undepreciated value is loaned to another Postal Service activity with a different finance number for 4 or more months, the property should be transferred, not loaned. This allows the depreciation to be charged to the using activity. Upon receipt and approval of the loan request, the MAO prepares a PS Form 1590 in triplicate. When the equipment is delivered, the borrower will:

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

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

### 5-5.4 Excess, Surplus, Obsolete, and Unserviceable Equipment

Refer to Chapter 6 for further guidance on this subject.

The owning organization is responsible for identifying and determining serviceability of excess equipment before it is reported to the MAO for entry in the Excess Item Catalog (EIC) in eBuy2Plus. Assistance in determining serviceability may be obtained through the appropriate maintenance or functional manager.

The AASCs approve or reject the addition of items to the EIC and coordinate the reassignment of excess equipment. Only serviceable excess items may be listed in the EIC.

### 5-5.5 Disposal

#### 5-5.5.1 Normal Process

Disposal of Postal Service capital property follows the normal disposal process described in Chapter 6. ~~The — however, the~~ key difference in the disposal of capital property is forwarding the completed PS Form 969 that the asset must be entered into the SEAM Disposal Workflow. The workflow forwards the request to the supporting AASC appropriate approvers for review and processing. ~~The undepreciated balance of capital assets should always be entered on the PS Form 969.~~ Any undepreciated value on a disposed item is immediately charged to a



~~servicewide~~service-wide account as soon as ~~as receives San Mateo Accounting Services processes the PS Form 969, as the disposal is completed and transmitted to PEAS.~~ A completed ~~PS Form 969 disposal~~ includes all of the required ~~signatures~~approvals.

#### **5-5.5.2 Disposals Requiring Special Approval**

Refer to Chapter [6](#).

### **5-6 San Mateo Accounting Services Documents**

#### **5-6.1 General**

San Mateo Accounting Services provides two tools to assist the field in the verification of Capital Property records. PEAS is the Postal Service master file that maintains accountability of capital personal property to a finance number.

The verification tools from San Mateo Accounting Services are:

- a. Property Change for Month ~~report~~ (PCFM) ~~report~~. The PCFM is sent only to sites that are receiving a newly purchased capital property item added to its accountability in a given month.
- b. ID label~~—~~. The label is a self-adhesive bar coded label with a unique numeric or alphanumeric number ranging from 6 to 15 characters. The ID label is to be applied to each item of capital property.

Diligent use of these tools enables the USPS to maintain accurate records and avoid the added cost in time and money needed to correct errors during the Annual Capital Property Review.

#### **5-6.2 Property Change for Month (~~PCFM~~) and Capital Property Listing (~~CPL~~)**

The generic description shown on the Property Change for Month (PCFM) report and the Capital Property Listing (CPL) is based on the property code number (PCN), which covers a broad category. (Refer to Handbook F-43, *Property Code Numbers*, for the master list of PCNs) By adding or updating the extended description field in SEAM to each item of capital property assigned to a finance number, individual items can be more easily tracked. The extended description field provides space for alphanumeric characters ~~(e.g., to describe characteristics such as~~ make, model, item description, serial number, and location)~~).~~ The extended description field appears on the CPL. ~~Extended descriptions can be changed/added by an extracted from SEAM BI (not from the EDW). An MAO with PSEASM access or AASC personnel can change/add extended descriptions. These reports are available in the EDW and SEAM BI. The Postal Service recommends pulling the CPL from SEAM BI, which displays the extended descriptions.~~

#### **5-6.3 ID Labels**

##### **5-6.3.1 General**

ID labels are laminated self-adhesive tags that contain a unique multi-character (six to 15 characters) number (numeric or alphanumeric) that is assigned to each item of capital property. The ID label/tag is affixed to each capital property item to identify it as postal property and to tie it to its corresponding record in the corporate accounting system (PEAS) The ID label remains with the property throughout its life. See [5-6.3.4](#) for exceptions.

##### **5-6.3.2 Issuance for New Capital Property**

San Mateo Accounting Services assigns an ID number to an item when it first enters PEAS. This number is put on the ID label except as noted in [5-6.3.4](#). The ID label is forwarded to the facility along with the PCFM. If the item is shipped to another facility, the ID number and label stay with the equipment. For some projects, the ID labels are provided to the manufacturer for affixing prior to receipt at the installation.

##### **5-6.3.3 Duplicate/Replacement ID Labels**

If replacement of the ID label is necessary due to damage or loss, a replacement can be requested from San Mateo Accounting Services by sending an email request to: "SMASC Capital Equipment".

### 5-6.3.4 Verifying and Affixing ID Labels

Each ID label received is checked to verify that the ID numbers match the PCFM report. Notify San Mateo Accounting Services or the AASC of any discrepancies. After verification, affix the ID label to the equipment in a location that is easy to view and scan.

If an item cannot be labeled or a specific instruction indicates not to attach the label ~~([e.g., on a POS One (Point Of Service terminal)] or a wide field of view (WFOV) camera]~~, the ID label will be retained with the PCFM or the CPL. When transferring POS One terminals or WFOV cameras, forward the ID label with the PS Form 7340, Property Transfer Request, to the receiving activity MAO.

## 5-6.4 PCFM Procedures

### 5-6.4.1 General

For each month in which San Mateo Accounting Services posts any changes to an installation's capital property records, a PCFM showing the deletions, additions, and adjustments will be available in the EDW. PCFMs will only be mailed by San Mateo for months in which new Postal Service acquisitions (not including transfers) are added to an installation's records. MAOs run the PCFM reports from the EDW for all months with activity other than new acquisitions. Access to the EDW is requested through eAccess – for additional guidance on how to run this report, contact the supporting AASC.

ID labels attached to PCFM reports sent by San Mateo Accounting Services must match the numbers listed on the report. The MAO ensures that this list is checked against the pending verification file and takes corrective action to resolve differences.

PCFMs with discrepancies are annotated and a copy returned to San Mateo Accounting Services. When forwarding a copy to San Mateo Accounting Services, include name, phone number, and best time to reach the MAO.

### 5-6.4.2 Verification of Entries

The following are the procedures for verifying entries:

**Step 1-:** Compare the PCFM transactions with the documents in the Pending Verification File.

**Step 2-:** The activity charged with accountability is responsible for determining and resolving all errors. Contact the supporting AASC if you need guidance on how to resolve discrepancies.

**Step 3-:** Annotate on the PCFM what information was found during the research and what action is being taken to correct the transaction; forward supporting documentation for changes or corrections with the PCFM to San Mateo Accounting Services.

**Step 4-:** If all entries on the PCFM are correct, attach the supporting documents from the Pending Verification File and place in the Verified File.

**Step 5-:** If entries on the PCFM need corrective action, place in the Pending Verification File until all actions are complete.

**Step 6-:** Review the Pending Verification File periodically for previously requested changes that have not been listed on a PCFM. Forward a copy of these documents again to San Mateo Accounting Services indicating it is a second request. Annotate on the file copy the date the second request was forwarded.

## 5-6.5 Capital Property Listing Procedures

### 5-6.5.1 General

At least once a year, the MAO prints the CPL ~~is printed from~~ SEAM or the EDW and ~~each item is physically verified by the MAO~~ verifies each item.

### 5-6.5.2 Verification Procedures

Verify the CPL with subcustody records and resolve any discrepancies. Information on the CPL should match the local records. Research and resolve discrepancies so that ~~both the~~ data in ~~PEAS data and or SEAM matches~~ the local property records are the same.



An incorrect record at one activity may indicate a corresponding incorrect record at another activity; consequently, it is important to conduct due diligence to correct errors. Adding or deleting capital property using a PS Form 2880 should be a tool of last resort.

The undepreciated value on an item deleted by a PS Form 2880 is immediately charged to a service-wide account. Provide write-off (undepreciated value) information to the finance or accounting office. The installation head signs PS Form 2880 prior to submitting the form to the supporting AASC for review and processing.

PS Form 2880 is available on the Postal Service PolicyNet website:

- Go to [blue.usps.gov](http://blue.usps.gov).
- In the left-hand column under "Essential Links," click *PolicyNet*.
- Click *Forms*.

The direct URL for the Postal Service PolicyNet website is [blue.usps.gov/cpim](http://blue.usps.gov/cpim).

## 5-7 Subcustody Records

### 5-7.1 Establishment

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

### 5-7.2 Update and Verification

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

**Step 1-:** The MAO updates the appropriate file with all receipts, transfers, disposal, changes, etc., within 3 days of the transaction.

**Step 2-:** The MAO provides an up-to-date copy (as of the end of the fiscal quarter) of the subcustody record and a copy of documents supporting any changes to the functional manager within 5 days of the end of the fiscal quarter.

**Step 3-:** The functional manager reviews the report and accompanying documentation for correctness, signs the certification at the bottom, and sends the updated certified subcustody report to the MAO.

**Step 4-:** The MAO and functional managers work together to resolve any discrepancies.

## 5-8 Annual Capital Property Review

### 5-8.1 Frequency

HQ Internal Control annually provides Supply Management Asset Accountability with a cycle count sampling of USPS capital property assets ~~annually to SM [WSA-WD2] Asset Accountability.~~ Asset Accountability uses/loads the sampling data ~~to create~~into SEAM, and ~~distributes~~then creates and distributes the Annual Capital Property Certification ~~Report (see Exhibit 5-8.1) that are completed by the~~ (associated by finance number organizations). Then, the MAOs who have certifications in SEAM receive notification that the certifications are available. MAOs can use the Annual Capital Property Certification Checklist (see Exhibit 5-8.1) to conduct the certification and to enter findings into SEAM. The sampling methodology is designed so that over a 4-year cycle every capital property asset owned by the Postal Service will be verified.

**Note:** Capitalized software is excluded from the Annual Capital Property Reviews.

Exhibit 5-8.1

**Annual Capital Property Certification ~~Report~~ Checklist**

### March 2018 Annual Capital Property Certification Report

FINANCE #: 24-7480 : South Hadley PS AREA: Northeast DISTRICT: Connecticut Valley

Asset #	Asset Extended Description	PCN	PCN Description	Contract #	Month Capitalized	Acquisition Cost	Undepreciated Balance	Asset Found Circle only one Y or T or D or N
1010422	APC 35 1296 Anytown Station	720020	35P 348 Service Postal Center	00011081234	09/02/2008	\$15,000	\$1,125	Y T D N

Total Undepreciated Balance of Items Not Found

Total # of sampled items: 0 Total Acquisition Cost of Sampled Items: \$0

Facility Address

Installation Head or Designated Material Accountability Officer (print name above)

Date

Street Address

By signing this report you certify you are the Installation Head or Designated Material Accountability Officer.

City

St

Zip

Installation Head or Designated Material Accountability Officer (print name above)

Telephone Number

For each asset found circle the "Y" in the Asset Found column. Send original, faxed, or scanned Annual Capital Property Certification to your AASC.  
If the asset has been transferred to another finance number - circle "T" in the Asset Found column and complete a PS-7343 Property Transfer Request form. Send original, faxed, or scanned Annual Capital Property Certification and PS-7343 to your AASC.  
If the asset has been disposed of - circle the "D" in the Asset Found column and complete a PS-463 (Material Recycling and Disposition) form. Send original, faxed, or scanned copies of the PS-463 and Annual Capital Property Certification to your AASC.  
For each asset not found - circle the "N" in the Asset Found column and you do not know where it is or what happened to it circle the "N" in the Asset Found column and Send original, faxed, or scanned Annual Capital Property Certification to your AASC.  
[AASC Action] Has a PS-600 and/or PS-7343 been received for disposed and/or transferred assets? Yes ☐ No ☐ Pending ☐ Entries received ☐  
This report is used only for certifying the completion of the Annual Capital Property Inventory. (For AASC use only: ICS initiate \_\_\_\_\_) Page 1 of 1



### Solution for Enterprise Asset Management (SEAM)

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### USPS Annual Capital Property Certification Checklist

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Finance Number: 417965: PHILADELPHIA PA P&DC

Asset Number	Extended Description	Asset Description	Contract Number	Date Placed in Service	Current Cost (\$)	Net Book Value (\$)	Asset Found Circle only one Y or T or D or N
PC680205B 000124		MPNACS(ForeScout)		09-FEB-2017	41,967.80	20,284.48	Y T D N
PE660001A 000173	NEXT GENERATION TRANSACTION CONCENTRATOR / CONTRACT #1BITSV11C1092, 1CITHW13C0076 & 1BITSW12B0010	Next Generation Transaction Concentrator		28-FEB-2014	22,302.55	0.00	Y T D N
PE680057A 000003		IDS NDSS		29-JUL-2009	92,061.50	0.00	Y T D N
PI680076A0 00078		PASS		20-MAR-2013	23,309.70	0.00	Y T D N
PI680249A0 00028		MICS		04-NOV-2016	27,287.14	11,824.39	Y T D N
PM201468A 000067		PIVMS		30-JAN-2015	4,000.00	2,133.37	Y T D N

### 5-8.2 Procedures

The following are the procedures for an Annual Capital Property Review:

**Step 1-:** Via the *Postal Bulletin*, Supply Management provides an initial notification to all postal activities of an upcoming Annual Capital Property Review.

**Step 2-:** The month prior to a scheduled Annual Capital Property Review, the AASC runs a "Missing Role" report in SEAM to identify finance numbers without an MAO assigned. Upon request, each Installation head, VP- or vice president (and/or their finance number accountable department head{[s]}) provides the name and contact information of the MAO for each unique finance number under his/ or her purview to its supporting AASC. The AASC provides instruction on how to request the MAO role in eAccess.



**Step 3-:** Instructions for completing the Annual Capital Property Review are available on the designated AASC website. Additionally, training or guidance is available ~~for~~from the AASCs upon request.

**Step 4-:** Prior to the inventory, the MAOs conduct training for anyone assisting in the ~~inventory~~certification. The training emphasizes the importance of the Annual Capital Property Review (number of items, location, dollar value, depreciation, etc.) to the Postal Service.

**Step 5-:** Supply Management provides the Annual Capital Property Certification ~~Report to the MAO assigned to each unit that is selected~~ finance number to conduct an Annual Capital Property Review. Supply Management provides the MAO with a link to enter SEAM to access the items to be audited. Only assets to be inventoried are listed ~~on this report~~WSA-WD3. Copies of this report will also be available online at a website designated by the AASC in the Asset Workbench.

**Step 6-:** The MAOs conduct and complete the Annual Capital Property Review as instructed by local management and/or their supporting AASC.

- a. Each asset listed on the Annual Capital Property Certification ~~Report~~ is to be physically located. Assets not located are researched to determine what happened. The supervisor of the section in which there is a missing asset is notified to provide assistance in completing the research.
- b. The MAO reconciles inventory changes, adjustments, etc. The operative word is reconciliation. It means determining what happened and processing the correct documentation. Examples:

(1)- If an asset was transferred to another facility and its location is verified, the MAO ~~submits a PS Form 7340 to indicate~~ "Transferred" in the AASC requesting the transfer of the Asset Workbench for this asset to and enters the appropriate finance number of the receiving office. This will initiate the Transfer Workflow in SEAM.

(2)- If an asset was disposed of, the MAO ~~submits a PS Form 969 to its AASC for processing~~ indicates "Not Found/Disposed" in the Asset Workbench for this asset and selects the disposal code. This initiates the Disposal Workflow in SEAM.

- c. If an asset listed on the Annual Capital Property Certification ~~Report~~ cannot be located or accounted for, the ~~certification report is annotated accordingly~~ MAO indicates "Not Found/Disposed" in the Asset Workbench for this asset and selects the disposal code NOT FOUND-CERT. This initiates the Disposal Workflow in SEAM.

**Step 7-Local Review:** ~~This step provides local review and Approval.~~ Upon completion of the physical inventory process, the MAO or the appropriate functional manager/installation head ~~WSA-WD4 reviews and signs the Annual Capital Property Certification Report. Send the completed Annual Capital Property Certification Report, along with any supporting documents, to your supporting AASC. Original, faxed, or scanned copies are all acceptable. A copy of the Annual Capital Property Certification Report is retained locally for 5 years. runs a USPS Asset Audit Status Report in SEAM to validate that all asset numbers scheduled to be audited have been completed. This report is stored within SEAM for the 5-year retention period and may be printed as necessary.~~

**Step 8-:** The AASC ~~will process~~ processes the Annual Capital Property Certification ~~Reports~~ as follows:

- a. ~~A copy of each Annual Capital Property Certification Report with adjustments (assets marked not found) is submitted to San Mateo Accounting Services.~~
- b. ~~Annual Capital Property Certification Reports with no changes or adjustments (assets marked Y, T, D) are retained by the AASC and not sent to San Mateo Accounting Services.~~



- a. The AASC reviews all assets marked as "Disposed/Not Found" or "Transferred" that are sent through the Disposal and Transfer Workflows. The AASC is the final approver before the change is made and sent electronically to San Mateo Accounting Services. After going through the approval workflow, each asset is then listed as "completed." If rejected during the workflow, it is returned to the MAO and reverts to a "pending" status.
- b. Assets marked as "Found" require no further action and are considered "completed." There is no review from AASC.
- c. ~~A copy~~ The AASC monitors the status of each Annual Capital Property Certification Report ~~is retained for 5 years~~ Review through reports in SEAM.
- d. ~~If deletions-~~ The AASC provides summary status reports on the progress of the Annual Capital Property Review to Supply Management Asset Accountability, to HQ Internal Reporting, and to the area/district/PFC Finance managers.
- e. The AASC informs Supply Management Asset Accountability, HQ Internal Reporting, and the area/district/PFC Finance managers when the Annual Capital Property Review is completed.
- f. At the completion of the Annual Capital Property Certification Report ~~have Review,~~ the AASC sends a report from SEAM to the manager of Internal Reporting for each unit finance number that has a total undepreciated balance of at least \$100,000 or more, the AASC will forward a copy of that Annual Capital Property Certification Report withfor deletions ("Disposed/Not Found"). Individual assets with an undepreciated balance of at least \$100,000 have to be approved by the manager of Internal Reporting in the Disposal Workflow. The AASC forwards supporting documentation (if any) tovia email or mail upon request to the following address:

MANAGER, INTERNAL REPORTING  
475 L'ENFANT PLAZA SW RM 8831  
WASHINGTON DC 20260-5245

**Note:** Only AASC personnel may submit completed Annual Capital Property Certification ~~Reports to San Mateo Accounting Services~~ anddocumentation and reports to Internal Reporting.

**Step 9** ~~The AASC enters the finance number for each completed Annual Capital Property Certification Report using an online check-in process (website) designated for AASC use—this information is updated daily as the certification reports are reviewed and are ready for submission to San Mateo Accounting Services.~~

- a. ~~The AASCs provide summary status reports on the progress of the Annual Capital Property Review to SM Asset Accountability and HQ Internal Reporting.~~
- b. ~~The AASCs inform HQ Internal Reporting and SM Asset Accountability when the Annual Capital Property Review is completed; this report will include the list of finance numbers that are non-compliant.~~
- c. ~~Up-to-date summary and detailed information of the completion status of the Annual Capital Property Review will be available on the designated AASC website.~~

#### **Step 10-**

**Step 9:** The MAO submits a cause and corrective action report to the installation head or functional manager. The report ~~will contain~~ contains specific causes, corrective actions, and schedules to correct problems recognized during the Annual Capital Property Review. (See(For a sample report, see [Exhibit 5-3.1.2.4](#) for a sample report-.).)

**Step 11** ~~One month following the completion of the Annual Capital Property Certification Report, the MAO should check the PCFM report from the EDW to verify any adjustments submitted on the certification report were processed accurately. If submitted adjustments do not appear on a PCFM within 60 days of submission, contact~~ **Step 10:** At the conclusion of each Annual Capital



~~Property Review, the AASC to verify the Annual Capital Property Certification Report was received and processed. [WSA-WD6][WSA-WD6][WSA-WD7]~~

~~Step 12 The AASCs provideprovides a list of delinquent finance numbers to senior management at the conclusion each Annual Capital Property Review.~~

**Step 11:** At the conclusion of the Annual Capital Property Review, the AASC verifies that all transactions that went through the automated workflows in SEAM (i.e., all certified assets that were transferred or disposed) have been uploaded to the National Accounting Oracle Financials Application (NAOFA). The AASC does this by using the Asset Audit Error Report and the Asset Deactivation/Transfer Report in SEAM. If there are any issues, the AASC addresses them to the Process Improvement and Analytics team within Asset Management.