LABOR RELATIONS

UNITED STATES
POSTAL SERVICE

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August 25, 2020

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

Certified Mail Tracking Number:
7019 1640 0001 4464 6368

Dear Brian:

This letter is in further reference to revisions to Handbook AS-701, *Asset Management*, Chapters 5 and 6. Notice of the revisions was provided by letters dated April 30 and May 19 (enclosed).

As previously stated, the purpose of the revisions are 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.

The Postal Service has identified additional revisions to Chapter 5, *Asset Accountability* and Chapter 6, *Asset Recovery: Redistribution, Recycling, and Disposal*. The additional revisions are intended to improve clarity for the reader.

Enclosed is a draft copy of Chapters 5 and 6 of Handbook AS-701, one with and one without the additional changes identified.

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

Sincerely,

Rickey R. Dean
Manager
Contract Administration (APWU)

Enclosures

475 L'ENFANT PLAZA SW
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(CA2020-323)

LABOR RELATIONS

UNITED STATES POSTAL SERVICE

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:
7019 2280 0001 6261 0166

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)

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(CA2020-153)

LABOR RELATIONS

UNITED STATES POSTAL SERVICE

May 19, 2020

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

Certified Mail Tracking Number:
7018 1130 0000 0643 5528

Dear Brian:

This letter is in further reference to revisions to Handbook AS-701, *Asset Management*, Chapters 5 and 6. Notice of the revisions was provided by letter dated April 30 (enclosed).

As previously stated, the purpose of the revisions are 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.

The Postal Service has identified additional revisions to Chapter 5, *Asset Accountability*. Disposal of inventory items will be recorded in the SEAM system; therefore, completion of PS Form 2880, Physical Inventory, is no longer necessary. References to the form will be deleted accordingly.

Enclosed is a draft copy of Handbook AS-701, *Asset Management*, Chapter 5, *Asset Accountability*, one with and one without the additional changes identified.

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

Sincerely,

Rickey R. Dean
Manager
Contract Administration (APWU)

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5 Asset Accountability

5-1 Introduction

5-1.1 Policy

Postal Service assets must be protected from loss, theft, damage, impairment, improper use, 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; facility installation heads, vice presidents~~,~~ (VPs), and executive 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~~Facility installation heads, ~~vice presidents (~~VPs~~),~~, and ~~their~~executive 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 facility installation head, VP, and ~~their~~executive 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~~PCES executive having physical control over the asset.

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~~Compile and review 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~~the 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~~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~~Asset Accountability Service Centers (AASCs) are responsible for supporting property procedures. These responsibilities include monitoring activities, training, and supporting the finance managers, facility 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~~list is available in SEAM BI — the preferred location — or the 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 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 Adjustments.*
d. *PS Form 7340, Property Transfer Request* (for noncapital/expendable assets).
e. Capital Property Listing (CPL). This ~~report~~list is available in SEAM BI — the preferred location — or the EDW.
f. Capital Property Monthly Change List. This report is available in SEAM BI — the preferred location — or the 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~~is generally restricted to Corporate 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 — i.e., from the 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~~Facility installation heads, VPs, and ~~their~~ finance number accountable executive department heads are responsible and accountable for all material in their organization. In large facilities and organizations, ~~it is recommended~~the Postal Service recommends that the facility installation head, HQ VP, etc.~~,~~ delegate an employee as MAO. Installation heads, VPs, and ~~their~~ finance number accountable executive department heads must understand the ~~magnitude of the job~~actions required 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~~The facility installation head, VP, or the finance number accountable executive department head delegates accountability to the employee selected ~~employee~~as the MAO 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~~August 15, 2020

Mr. John Brown
(position/title)

Dear Mr. Brown:

The Postal Service requires the facility installation head/executive department head to be responsible and accountable for material/property within the organization. It permits the ~~installation head to delegate~~delegation of 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.~~

Facility Installation/Executive 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~~The Postal Service recommends that facility installation heads, VPs, and ~~their~~ finance number accountable executive 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 facility installation head, VP, or the finance number accountable executive department head (see Exhibit 5-3.1.2.4).

Exhibit 5-3.1.2.4
Sample Report from Material Accountability Officer

~~March 2~~August 15, 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~~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

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 Form1590 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*.
- In the left-hand column under "Essential Links," click on *PolicyNet*.
- Click on *Forms*~~.~~, and scroll down to the desired form.

The direct URL for the Postal Service PolicyNet website is *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*.
- In the left-hand column under "Essential Links," click on *PolicyNet*.
- Click on *Forms*~~.~~, and scroll down to the desired form.

The direct URL for the Postal Service PolicyNet website is *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~~list is available in SEAM BI — the preferred location — or the 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 facility installation head or the original executive 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~~proper 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~~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, facility installation head, VP, or finance number accountable executive 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*.
- In the left-hand column under "Essential Links," click on *PolicyNet*.
- Click on *Forms*~~.~~, and scroll down to the desired form.

The direct URL for the Postal Service PolicyNet website is *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~~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~~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~~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~~There are two 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~~For the master list of PCNs, see 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~~Accounting Services 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

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~~Do not add or delete capital property using a PS Form 2880 ~~should be~~except as a ~~tool of~~ last resort.

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

- Go to *blue.usps.gov*.
- In the left-hand column under "Essential Links," click on *PolicyNet*.
- Click on *Forms*~~.~~, and scroll down to the desired form.

The direct URL for the Postal Service PolicyNet website is *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. Using SEAM, Asset Accountability ~~loads~~creates the sampling data ~~into SEAM, and then creates~~ and distributes the Annual Capital Property Certification (which is 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~~is verified.

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

Exhibit 5-8.1

Annual Capital Property Certification Checklist

UNITED STATES POSTAL SERVICE.

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 facility installation head or ~~vice president~~VP (and/or their finance number accountable executive 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, deprecation, 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~~Here are two 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~~each asset goes through the approval workflow, ~~each asset~~it is then listed as "completed." If the asset is 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 the 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 facility installation head or ~~functional manager~~executive department head. 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~~verifies 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, impairment, improper use, 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; facility installation heads, vice presidents (VPs), and executive department heads are 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

Facility installation heads, VPs, and executive 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 facility installation head, VP, and executive department heads do not designate an MAO, all actions outlined in this chapter as MAO are the responsibility of and performed by the PCES executive having physical control over the asset.

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. Compile and review 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 the AASC, and forward a copy of the PCFM to 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

Asset Accountability Service Centers (AASCs) are responsible for supporting property procedures. These responsibilities include monitoring activities, training, and supporting the finance managers, facility 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 is available in SEAM BI — the preferred location — or the 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 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 Adjustments.*

d. *PS Form 7340, Property Transfer Request* (for noncapital/expendable assets).

e. Capital Property Listing (CPL). This list is available in SEAM BI — the preferred location — or the EDW.

f. Capital Property Monthly Change List. This report is available in SEAM BI — the preferred location — or the 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 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 is generally restricted to Corporate 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 — i.e., from the 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

Facility installation heads, VPs, and finance number accountable executive department heads are responsible and accountable for all material in their organization. In large facilities and organizations, the Postal Service recommends that the facility installation head, HQ VP, etc. delegate an employee as MAO. Installation heads, VPs, and finance number accountable executive department heads must understand the actions required 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

The facility installation head, VP, or the finance number accountable executive department head delegates accountability to the employee selected as the MAO 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, 2020

Mr. John Brown
(position/title)

Dear Mr. Brown:

The Postal Service requires the facility installation head/executive department head to be responsible and accountable for material/property within the organization. It permits the delegation of 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.

Facility Installation/Executive 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

The Postal Service recommends that facility installation heads, VPs, and finance number accountable executive department heads 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 facility installation head, VP, or the finance number accountable executive department head (see Exhibit 5-3.1.2.4).

Exhibit 5-3.1.2.4
Sample Report from Material Accountability Officer

August 15, 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

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 Form1590 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*.
- In the left-hand column under "Essential Links," click on *PolicyNet*.
- Click on *Forms*, and scroll down to the desired form.

The direct URL for the Postal Service PolicyNet website is *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*.
- In the left-hand column under "Essential Links," click on *PolicyNet*.
- Click on *Forms*, and scroll down to the desired form.

The direct URL for the Postal Service PolicyNet website is *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 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 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 list is available in SEAM BI — the preferred location — or the 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 facility installation head or the original executive 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 proper 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, facility installation head, VP, or finance number accountable executive 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*.
- In the left-hand column under "Essential Links," click on *PolicyNet*.
- Click on *Forms*, and scroll down to the desired form.

The direct URL for the Postal Service PolicyNet website is *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 Accounting Services Documents

5-6.1 General

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.

There are two verification tools from Accounting Services:

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. (For the master list of PCNs, see Handbook F-43, *Property Code Numbers*.) 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

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 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 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 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 Accounting Services 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 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 Accounting Services. When forwarding a copy to 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 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 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

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. Do not add or delete capital property using a PS Form 2880 except as a last resort.

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

- Go to *blue.usps.gov*.
- In the left-hand column under "Essential Links," click on *PolicyNet*.
- Click on *Forms*, and scroll down to the desired form.

The direct URL for the Postal Service PolicyNet website is *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. Using SEAM, Asset Accountability creates the sampling data and distributes the Annual Capital Property Certification (which is completed by the associated finance number organizations). 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 is verified.

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

Exhibit 5-8.1

Annual Capital Property Certification Checklist

UNITED STATES POSTAL SERVICE.

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 facility installation head or VP (and/or their finance number accountable executive 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, deprecation, 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. Here are two 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 Accounting Services. After each asset goes through the approval workflow, it is then listed as "completed." If the asset is 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 the 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 facility installation head or executive department head. 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. The AASC verifies 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.

6 Asset Recovery: Redistribution, Recycling, and Disposal

6-1 Introduction

6-1.1 Policy

Through asset recovery, items no longer required with regards to their original purpose are reclaimed or restored to ~~some~~a degree of usefulness. Asset recovery benefits the Postal Service ~~by incorporating~~as a component of supply chain management practices and methodologies while also supporting environmental protection policies. ~~Incorporate the Postal Service~~Incorporating USPS environmental ~~policy~~policies into procedures governing asset redistribution, recycling, and disposal supports USPS objectives. The Postal Service is committed to conducting all its activities in a manner that protects human health and the environment ~~and will not hesitate to exceed legal requirements when appropriate~~.

6-1.2 Applicability

The policies and procedures ~~annotated~~ in this chapter apply to the redistribution, recycling, and disposal of material throughout the Postal Service. All ~~Postal Service~~USPS personnel must comply with ~~the~~these policies and procedures ~~noted here~~.

6-1.3 Purpose

This chapter provides procedures for the handling of assets/materials as follows:

a. Identification and reporting (see 6-2).

b. Redistribution (see 6-3).

c. Recycling and disposal (see 6-4).

6-1.4 Responsibilities

~~Installation~~Facility installation heads, functional managers, finance managers, ~~Material Accountability Officers~~material accountability officers (MAOs), and other employees designated as responsible for material management must take all necessary steps to ensure the prompt and proper redistribution, recycling, and disposal of material.

6-1.4.1 Operational Personnel

Postal Service managers at all functional levels are responsible for the following:

a. Ensuring funds are not spent for new material if the need can be filled timely and economically by using the Excess Items Catalog (EIC).

b. Ensuring inactive serviceable assets both excess to the manager's own operational needs and what is planned for future use, are identified, reviewed and reported to the installation head/MAO. Handle assets identified for transfer to another postal entity in accordance with the procedures in this chapter (see 6-4.4.3).

6-1.4.2 Facility Installation Heads and MAOs

~~The~~Facility installation heads are responsible and accountable for all material in their organization. ~~The installation head~~They may delegate in writing (see 5-3.1), material accountability responsibility to their appointed MAO (see 5-1.4.2). Critical responsibilities relating to material identification, reporting, and transferring inactive assets are as follows:

a. Accurately identifying inactive assets using appropriate resources such as Publication 247, *Supply and Equipment Catalog.*

b. Determining serviceability of inactive assets.

c. Maintaining communication with appropriate functional managers concerning repairable equipment to be returned to use.

d. Ensuring all assets identified as excess serviceable are promptly and accurately reported through channels.
e. Maintaining inventory control of inactive equipment assets within the facility, either manually or automated, and filling requirements from the EIC in lieu of new purchases.
f. Ensuring excess assets requested by another Postal Service entity are promptly transferred in accordance with 6-4.
g. Promptly coordinating changes in status of inactive assets, (e.g., put into local use) with the guidance of the supporting Asset Accountability Service Center (AASC).
h. Ensuring all serviceable excess items are placed in the EIC.

6-1.4.3 Maintenance Management

Maintenance management employees are critical to assuring inactive serviceable (ready for immediate use) assets are declared excess. Maintenance management is responsible for the following:

a. Assisting the MAO in accurately identifying inactive assets, using the appropriate resources.
b. Determining serviceability of inactive assets.
c. Determining feasibility of repair versus disposal of inactive assets.
d. Promptly ensuring repairs to inactive assets are made and these assets are reported through the appropriate channels, with assistance from the MAO.
e. Reporting inactive assets to the MAO.
f. Ensuring inactive assets destined for transfer are properly packaged for shipment to avoid damage during transit.
g. Assisting the MAO in ensuring excess assets are promptly transferred.
h. Conducting regular inventory assessments to control excess using the Maintenance Inventory Support Process (MISP) reports from the Maintenance Activity Reporting & Scheduling (eMARS) system (see Handbook MS-63, *Maintenance Operations Support,* Subchapter 19).
i. Promptly reporting any changes in status of inactive assets, (e.g., returned to local use) to the MAO.

6-1.4.4 Asset Accountability Service Centers

AASCs develop inventory control processes and policies for re-distribution of excess assets and the disposal of surplus and obsolete items. The AASCs are responsible for approving or declining items, catalog maintenance, removing items from EIC, and order management. Additionally, AASCs support the Investment Recovery Plan to generate revenue through the development and implementation of national disposal programs.

The AASC contact information is located at *http://blue.usps.gov/purchase/assetmgnt/am_aasc_home.htm*.

6-1.5 Definitions

The following are definitions of terms used in this chapter:

a. *Antique:* A unique or commercial object owned by the Postal Service that is at least 100 years old.
b. *Artwork:* A painting, sculpture, mural, drawing, mobile, engraving, etching, etc., owned by the Postal Service and located in a Postal Service facility or on loan to a museum, historical society, library, etc. Artwork may be of any age.
c. *Collectible:* Anything that has value or interest for a person or organization and is less than 100 years old. Age distinguishes a collectible from an antique. Examples of Postal Service collectibles are a 1920 Seth Thomas wall clock in an oak case; a collection bag

used prior to 1930; an airmail mailbag; leather topped oak lobby tables; a brass, post mounted collection box; and a hanging scale.

d. *Disposal:* The process of properly relinquishing possession of assets that are non-reparable, or inactive to Postal Service needs through trade-in, sale, cannibalization, sale for recycling, transfer, donation, or placement in a landfill (see 6-4).

e. *Excess assets:* All assets that are not being used (see 6-2.2).

f. *Excess Items Catalog (EIC):* An eBuyPlus catalog that lists excess Postal Service items for nationwide redistribution.

g. *Memorabilia:* Written or printed manuscripts, documents, books, and publications may be considered antique, collectible, or of potentially historic value. Memorabilia are to be maintained and protected because their intellectual content contributes to the documentation and understanding of the history of the structure, functions, and activities of the Postal Service or Post Office Department. Examples include postmasters' certificates of commission, personal correspondence, journals, diaries and scrapbooks, copies of press releases and clippings, and copies of speeches.

h. *Object of Historic Value:* Something that is one of a kind, rare, or associated with a particularly significant person or event in postal history. An example of an object of historic value is a ballpoint pen used by President Bush to sign the Postal Accountability and Enhancement Act of 2006.

i. *Recycling:* The collecting, processing, redistributing and reusing, of material otherwise destined to be discarded.

j. *Redistribution:* The process of returning inactive serviceable assets to the source of supply or transferring them to a Postal Service entity that has a need.

6-1.6 Postal Service ~~Forms~~Documents Used

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

a. PS Form 965, *Salvage or Junk Tag.*

b. PS Form 969, *Material Recycling and Disposal (Noncapital).*

c. PS Form 3544, *USPS Receipt for Money or Services.*

d. PS Form 4707, *Out of Order* (tag).

e. PS Form 7340, *Property Transfer Request* (for noncapital/expendable assets).

f. USPS Sales Slip (~~locally produced,~~ see Exhibit 6-1.6). A copy of the USPS Sales Slip is available from the AASC website — produce copies locally.

All forms not on the web must be ordered via eBuyPlus.

Note: Complete capital property transfers and disposals through SEAM for redistribution and disposal of these assets.

Exhibit 6-1.6
USPS Sales Slip, Sale of Government Personal Property

UNITED STATES POSTAL SERVICE SALES SLIP
SALE OF GOVERNMENT PERSONAL PROPERTY

Buyer's Name and Address | Date of Sale

ALL PROPERTY LISTED BELOW MUST BE PAID FOR IN FULL AND REMOVED BY Date >

Item or Lot No.	Description	Price
Deposit in AIC No.	TOTAL AMOUNT >	
PAYMENT RECEIVED	BY (Signature)	Paid on Date of Sale >

I ACKNOWLEDGE RECEIPT OF THE PROPERTY DESCRIBED ABOVE.

Signature of Buyer or Authorized Representative *Date*

USPS Sales Slip
(August 2010)

6-2 Material Identification and Reporting

6-2.1 General

Inactive material accounts for a portion of total Postal Service assets. Some factors that lead to inactive assets include changing requirements, erroneous stocking objectives, inaccurate purchasing, excess capacity, and obsolescence. The Postal Service can reduce total cost of ownership through accurate material identification and reporting to ensure redistribution, recycling, and disposal of these assets. Cost avoidance can be realized through the use of the EIC to redistribute assets versus making new purchases.

6-2.2 Reporting of Excess Assets

6-2.2.1 Reporting Methods

6-2.2.1.1 Excess Item Catalog

EIC provides the ability for eBuyPlus users to identify and acquire excess items within the Postal Service. Postal Service excess items that are no longer needed by one facility are made available to others. Any Postal employee who is an authorized eBuyPlus user may add new items to EIC or find and view excess items. For information or training on the use of the EIC, contact an AASC.

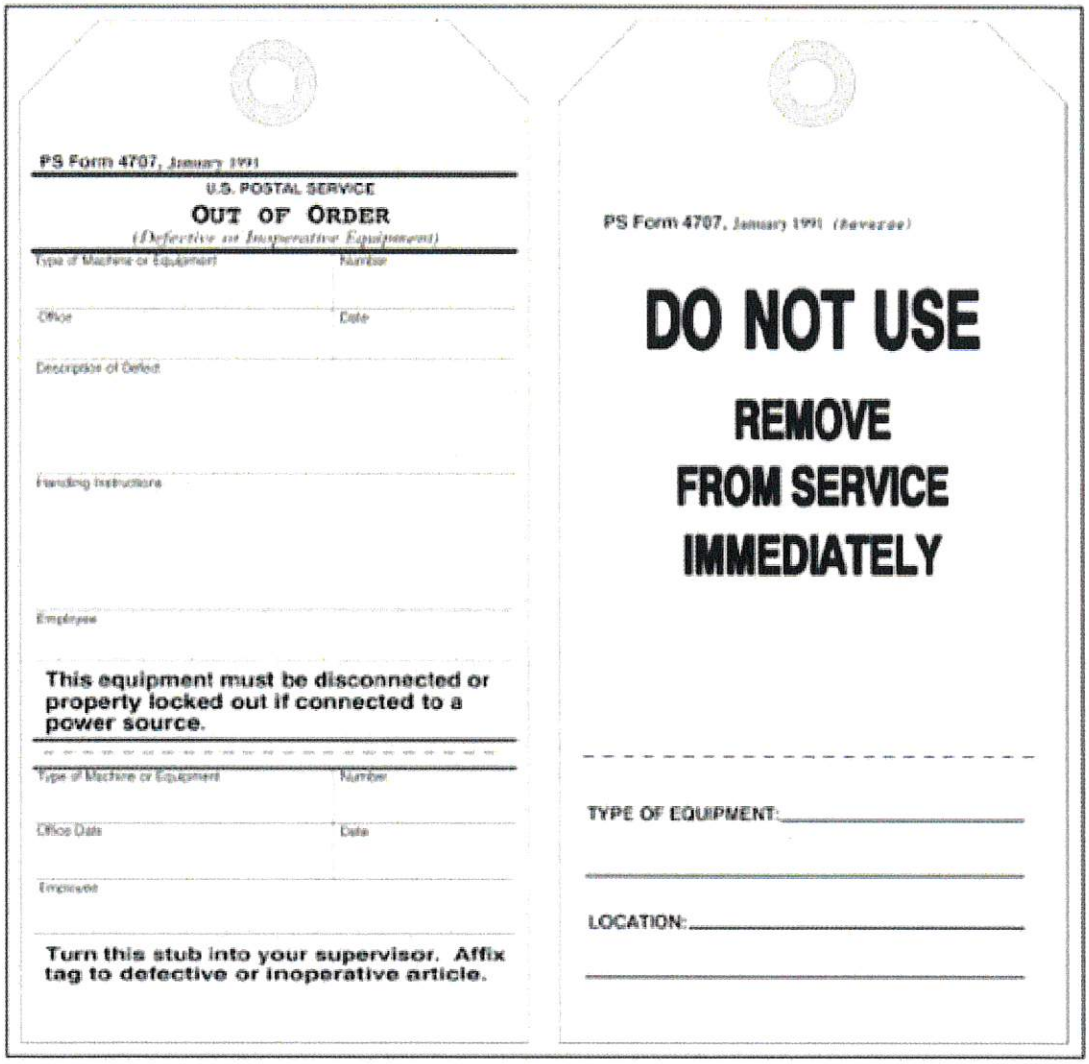
6-2.2.1.2 Tag Reporting

Use the following forms to tag and report inactive assets:

a. Use PS Form 4707, *Out of Order (tag),* to identify equipment in need of repair. For an image of this form, see Exhibit 6-2.2.1.2a. Once completed, the string part is attached to the equipment and the detachable stub is forwarded to maintenance management. Before initiating repair, the installation head or designee must determine whether the repair should be performed. When repairs to an unserviceable item are deemed not cost effective, tag the item with a PS Form 965 and initiate recycling or disposal action.

b. Use PS Form 965, *Salvage or Junk Tag,* to identify unserviceable equipment that is not cost effective to repair. Take immediate recycling or disposal action. For an image of this form, see Exhibit 6-2.2.1.2b.

Exhibit 6-2.2.1.2a
PS Form 4707, Out of Order (tag)


PS Form 4707, January 1991

U.S. POSTAL SERVICE

OUT OF ORDER

(Defective or Inoperative Equipment)

Type of Machine or Equipment | Number

Office | Date

Description of Defect

Handling Instructions

Employee

This equipment must be disconnected or property locked out if connected to a power source.

Type of Machine or Equipment | Number

Office Date | Date

Employee

Turn this stub into your supervisor. Affix tag to defective or inoperative article.

PS Form 4707, January 1991 *(Reverse)*

DO NOT USE

REMOVE FROM SERVICE IMMEDIATELY

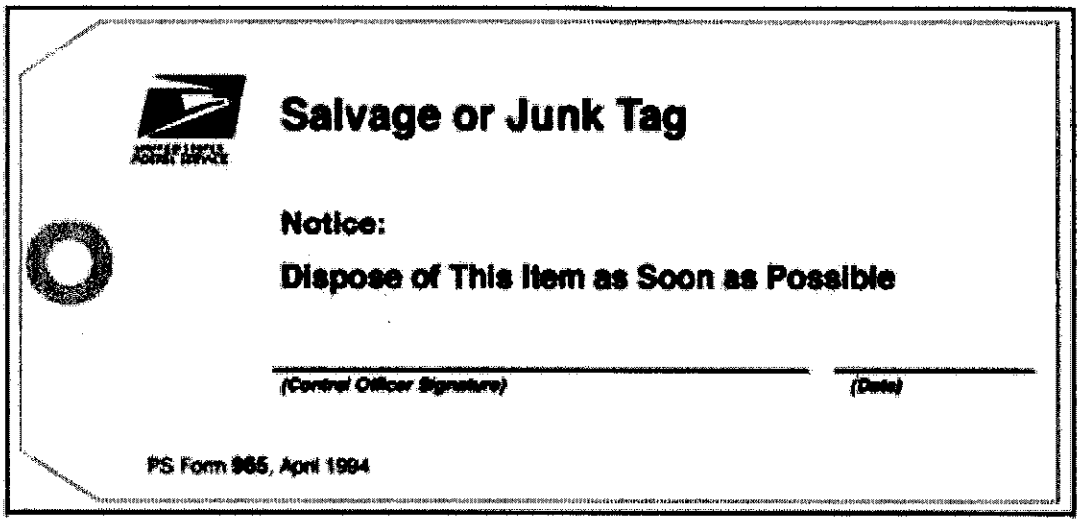
TYPE OF EQUIPMENT:_____

_____

LOCATION:_____

_____

Exhibit 6-2.2.1.2b
Form 965, Salvage or Junk Tag


Salvage or Junk Tag

Notice:

Dispose of This Item as Soon as Possible

(Control Officer Signature) (Date)

PS Form 965, April 1994

6-2.2.1.3 Special Equipment Reporting

6-2.2.1.3.1 Information Technology Equipment

Report excess, obsolete, or non-repairable Information Technology (IT) equipment (e.g., desktop computers, laptops, servers, printers, monitors, digital copiers, fax machines, and cell phones) to the supporting IT organization for disposition. IT updates its AIMS database and provides disposition instructions to the reporting activity.

6-2.2.1.3.2 Inspection Service Items

The transfer and disposal of the following items, both serviceable and unserviceable, are controlled by the Inspection Service. Disposition instructions must be obtained by reporting via memorandum the item number, description, and quantity of excess/surplus items to the local postal inspector-in-charge. Enter excess security containers into the EIC. Notify the local postal inspector-in-charge prior to any transfer or disposal action.

Prior to selling or disposing of security containers, contact the AASC for additional guidance.

Descriptions	**PSIN**
Security Containers (Safe)	293–299
Inspection Service Locks	091SP, 0912B, 0912C, 0912D, 0931A, 0931AHR, 0931CYL, 0931AO, 0931AHL, 0931O
Observation units	01239, 01240
Observation unit replacement Glass	01240A

6-2.2.1.3.3 Mail Transport Equipment

Post Offices contact Transportation Networks at the supporting processing and distribution center (P&DC) for instructions. Excess mail transport equipment (MTE) located at plants is reported to the Mail Transport Equipment Service Centers (MTESC). Disposal of all MTE is handled by the MTESCs – local disposal is not authorized.

6-2.2.1.3.4 Major Mechanized and Automated Equipment

Transfers and disposals require prior approval from Technology Acquisition and Program Management and Area In-Plant Support.

6-3 Redistribution

6-3.1 General

Redistribution is the transfer of assets from one postal installation to another.

6-3.2 Return/Transfer Processes

6-3.2.1 Return to Material Distribution Center (MDC)

Parts considered for return to the MDC must be new, properly marked, and in the original package. The MDC will only accept line item values of $50.00 or more. Additionally, supply item(s) must also be the current edition date in full carton quantities. Excess items cannot be returned without prior approval, which must be requested electronically through the Web-Based Return Authorization System (WebRA) and can be accessed at *https://emdims.usps.gov/RETURNS/jsp/fieldReturn.jsp*.

For supply item returns call National Materials Customer Service (NMCS) to request Return Authorization (RA). Returns must have a minimum per item requirement of $50.00 with full carton quantities.

Items the MDC will not provide a return of authorization for or a vendor refuses to take back, contact the supporting AASC. The AASC will provide guidance and assist the MAO's with implementing a proper redistribution or disposal method.

6-3.2.2 Equipment Return Procedures for Discrepant Order

When there are shipping errors on items ordered through the MDC, contact NMCS to have the error corrected. Have the initial shipment documentation available when calling the NMCS. If the order discrepancy was caused by an MDC error, NMCS will credit the site or authorize a return. Do not return any items to the MDC without an RA. Do not return items via Priority Mail.

6-3.3 Transfers Between Postal Service Facilities

6-3.3.1 Repair Parts

A maintenance site or the MDC may request transfer of a repair part. Credit will be granted at 100 percent of book value.

Maintenance sites with excess stock will receive a notice through the Enhanced Spare Parts Initiative (eSPIN) requesting the part designated excess be transferred to another facility. Once it has been determined the item is on hand, a transfer will be initiated in accordance with eSPIN and local procedures. If the item is not available, the office designated to perform the transfer will make the necessary adjustments to their stocking quantities in eMARS. (See Exhibit 6-3.3.1.) This action will ensure the part is no longer classified as excess.

Exhibit 6-3.3.1
eMARS Source Codes

Source Code	Inventory Source Description
1	Reparable parts available from MDC that are 1 for 1
2	Do not buy items per MMO 024 05
A	Reparable parts available from MDC that are for local stock
B	Items procured by blanket purchase agreements
C	Items procured from a manufacturer. For parts supplied under warranty
D	Items procured from Defense Logistics Agency (DLA)
F	Loan tools
G	Items procured from regional GSA supply centers
H	Identifies items procured from federal supply schedule
K	Identifies items procured from local GSA store
L	Items procured from local suppliers
M	Items procured as required (manually)
N	Reparable items procured from a local source - repair local
R	Reparable items procured from the MDC as listed In Pub 112, *SPEC Supplies, Parts, and Equipment Catalog*
S	Items procured from MDC as in Pub. 247, *Supply and Equipment Catalog*
T	Non-reparable items procured from MDC as listed in Pub 112, *SPEC Supplies, Parts, and Equipment Catalog*
U	Reparable items procured from MDC that are repaired locally
X	Items to be automatically deleted from the Sr/Bs inventory master file when BOH=0

Note: If the capital property ID label is not affixed to the property and is in your possession, either place the label on the property prior to shipping or mail it directly to the receiving office.

6-3.3.2 Equipment

Excess equipment in serviceable condition must be posted in the EIC.

6-3.3.2.1 Process

6-3.3.2.2 Shipping Office

The facility installation head or MAO of the shipping office ensures that items are properly packaged for shipment and are expeditiously transferred. If the item is capital property, the MAO from the shipping office initiates the transfer process in SEAM by sending the workflow to the receiving MAO for acceptance. The Transfer site verifies that the property change is made in SEAM or the Enterprise Data Warehouse (EDW) by reviewing the Property Change for the Month listing or the Personal Property Pending Approval report. If the item is noncapital (expense), file PS 7340 (if applicable) in the expendable material transaction file.

6-3.3.2.3 Receiving Office

The facility installation head or MAO at the receiving office must take the following steps:

a. For noncapital items, keep a copy of the eBuyPlus requisition or other shipping/receiving documents in the pending file.
b. Upon receipt, verify the shipment against the transfer notification from SEAM or other shipping/receiving documents for accuracy. If the item is capital, ensure that the capital asset ID label is attached to the item and is identical to the asset number transferred via the SEAM workflow. If not, contact the shipping office or the AASC.
c. If an item scheduled to be shipped has not been received within 15 days, contact the shipper for assistance.
d. If capital, maintain a copy of the shipping documents in your capital property file. (See 5-5 and 5-6 for detailed instructions on filing and transfers.)

6-3.3.3 Special Equipment Redistribution

6-3.3.3.1 Automated Postal Center (APC)

The Area marketing manager and District retail manager review and coordinate relocation of APCs. Refer to Handbook PO-106, *Automated Postal Center (APC) Program,* for additional information.

6-3.3.3.2 Information Technology (IT) Equipment

Redistribution of IT equipment (e.g., desktop computers, laptops, servers, printers, monitors, digital copiers, fax machines, and cell phones) is controlled by the supporting IT organization. IT equipment is only transferred or reassigned to another activity or person with direction from the supporting IT organization.

6-3.3.3.3 Inspection Service Items

Normal redistribution procedures apply with approved requests for transfer (see 6-2.2.1.3.2).

6-3.3.3.4 Mail Transport Equipment (MTE)

The Mail Transport Equipment Service Centers control redistribution of MTE items.

6-3.3.3.5 Major Mechanization and Automated Equipment

Refer to 6-4.5.8 for more information.

6-3.3.3.6 Motor Vehicles

~~Vehicle Maintenance management~~Fleet Management is responsible for controlling these assets. Refer to Handbook PO-701, *Fleet Management.*

6-3.3.3.7 Other Equipment

Asset Management Performance and Accountability controls all other equipment assets.

6-4 Recycling and Disposal

6-4.1 Approval and Disposition

Disposal actions and methods for capital and sensitive property are approved in advance. Some items require special documentation and handling such as antiques and collectibles. Accidental destruction, loss, or theft must also be documented. The requirement for prior approval is not applicable for material disposed of by trade-in.

6-4.2 Supervised Destruction Committee

The Supervised Destruction Committee witnesses the destruction of item(s) if block 9 on the PS Form 969 is checked. At a minimum, the facility installation head/designee and the MAO are members of the committee. For capital items requiring supervised destruction, the MAO initiates the disposal workflow in SEAM and lists the committee members in the justification field.

See 5-1.5 for capital and sensitive equipment.

6-4.3 Documentation

After the appropriate recycling or disposal action is taken for surplus or unserviceable/obsolete material, the MAO completes PS Form 969, *Material Recycling and Disposal (Noncapital),* and indicates on the form the amount received if the material was sold or traded in. Complete the PS Form 969 per instructions on the form. For capital items, the MAO initiates the disposal in SEAM, which triggers the disposal workflow and routes the disposal to the appropriate approvers. PS Form 969 is not required for consumables.

PS Form 969 is available on the Postal Service PolicyNet website:

- Go to *blue.usps.gov*.
- In the left-hand column under "Essential Links," click on *PolicyNet*.
- Click on *Forms*, and scroll down to the desired form.

The direct URL for the Postal Service PolicyNet website is *blue.usps.gov/cpim*.

All organizations must use the e969 application to electronically capture the relevant information for disposal of electronic equipment (see Exhibit 6-4.3). That equipment includes, but is not limited to, the following:

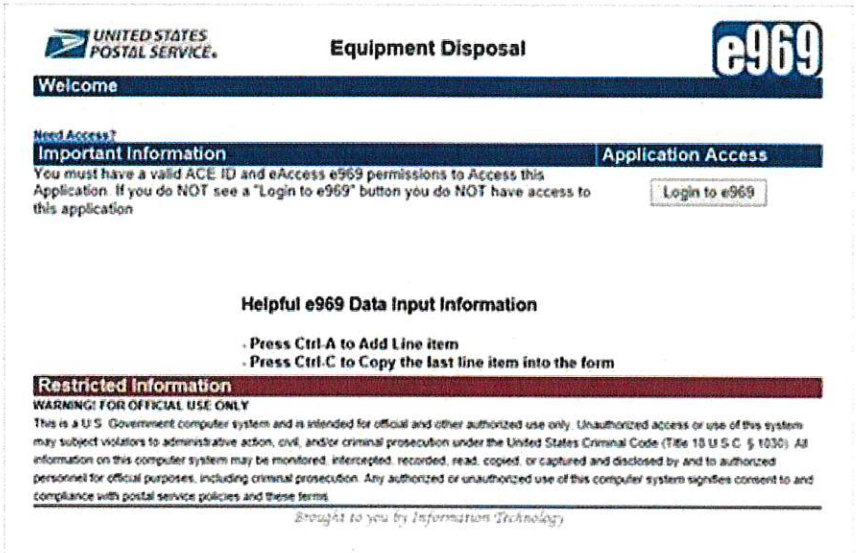
- Workstations.
- Laptops.
- Monitors.
- Networking equipment.
- Printers.
- Copiers.
- Facsimile Machines.
- Servers.

Print PS Form 969 from the e969 application and use the form to complete the disposal process. For noncapital items, file the form in accordance with local procedures. For capital items, the MAO at the owning finance number must enter the asset number(s) into SEAM and initiate the disposal workflow in order for the asset to be retired. Postal Service employees can request access to the e969 application via eAccess.

Note: Entering capital items into the e969 application does not retire an asset number. You must complete the process in SEAM using the disposal workflow.

Exhibit 6-4.3

Equipment Disposal e969



6-4.4 Material Requiring Special Approval

6-4.4.1 Antiques and Collectibles

6-4.4.1.1 General

All antiques, collectibles, and objects of historic value, including artwork, must be controlled within a Postal Service facility and appropriately safeguarded to ensure they are not damaged, destroyed, stolen, or disposed of as junk or valueless property.

6-4.4.1.2 Exceptions

Except for the types of Postal Service property listed below, antiques and collectibles may be loaned or disposed of only with the specific approval of the Postal Service historian:

a. New Deal artwork (follow instructions in Handbook RE-1, *U.S. Postal Service Facilities Guide to Real Property Acquisitions and Related Services).*
b. Postal Service property listed in the current edition of Publication 247, *Supply and Equipment Catalog.*
c. Postal Service owned or leased real property.
d. Records (see 6-4.4.1.5).

6-4.4.1.3 Care of Historic Items

6-4.4.1.3.1 Responsibility

Managers at all levels must be aware of the antiques, collectibles, and objects of historic value, including artwork, which are in use, stored, or displayed in their facility. However, the facility installation head is ultimately responsible for historic items in his or her facility.

6-4.4.1.3.2 Preserving Antiques, Collectibles, and Objects of Historic Value

Properly care for and preserve all antiques, collectibles, and objects of historic value in use, on display, or in storage. Follow these general rules to enhance preservation:

a. Keep each object in a safe environment. Protect objects from theft; vibration; extremes of heat, cold, and humidity; excessive natural, incandescent, or fluorescent light; and physical damage (scratching, bumping, breaking, etc.).
b. Inspect objects every three months to make sure they have not become damaged or soiled.
c. Conserve objects as necessary. Guidance on selecting a qualified conservator may be obtained from:

   HISTORIAN
   UNITED STATES POSTAL SERVICE
   475 L'ENFANT PLAZA SW RM 11927
   WASHINGTON DC 20260

   Telephone: 202-268-2074
   email: *phistory@usps.gov*

   AMERICAN INSTITUTE FOR CONSERVATION
   1156 15TH ST NW STE 320
   WASHINGTON DC 20005-1714

   Telephone: 202-452-9545
   email: *info@conservation-us.org*

6-4.4.1.4 Transfer or Disposal

6-4.4.1.4.1 Approval for Disposal

Local Postal Service officials will not take disposal or other actions regarding historic items, whether by loan, donation, sale, or otherwise, without the approval of the Historian. Requests for such approval must include a clear photograph of the item, a written description of the item, the proposed method of disposal, and the reason why the proposed disposal is appropriate.

6-4.4.1.4.2 Loans

Loans of historic items, when approved, will be subject to the care and security requirements noted above. A written loan agreement is required. It must be signed by the local postal official and the authorized agent of the borrowing institution and set forth all the terms of the loan.

6-4.4.1.4.3 Sale or Auction

When the disposal of historical items by sale or auction has been approved, follow the guidance for disposal as set forth in this chapter. Antiques, collectibles, and objects of historic value may be sold with written approval from the Postal Service historian. These items can then be sold for investment recovery, and are exempt from posting in eBuyPlus. Compliance with 6-4.5.6, Permanently Marked Material, is required.

6-4.4.1.4.4 Receipts from Sale

Receipts from the sale of antiques, collectibles, or objects of historic value are entered in Account Identifier Code (AIC) 157, "Sale of Postal Antiques," on the Point of Sale (POS) unit. The entry to AIC 157 will be reflected in Special Revenue Account 44036, "Other Miscellaneous - Sale of Postal Antiques."

6-4.4.1.5 Records

6-4.4.1.5.1 Records Created Before Postal Reorganization on July 1, 1971

All old records that were generated by the Post Office Department are subject to the Federal Records Act and must be offered to the National Archives and Records Administration for appraisal, disposition instructions, and, if warranted, accession into the National Archives.

6-4.4.1.5.2 Records Created After Postal Reorganization on July 1, 1971

Postal Service records are the property of the Postal Service. Postal Service functional groups with an interest in the records determine their disposition. All such records should be maintained and disposed of in accordance with existing records control schedules appearing in the Electronic Records Information Management System (eRIMS). Additional policy guidance can be found in Chapter 6 of Handbook AS-353, *Guide to Privacy, the Freedom of Information Act and Records Management.*

6-4.4.1.5.3 Assistance

For assistance in handling records created before July 1, 1971, and in the disposition of Postal Service records created after that date, contact:

RECORDS OFFICE
UNITED STATES POSTAL SERVICE
475 L'ENFANT PLAZA SW RM 4541
WASHINGTON DC 20260

Telephone: 202-268-2608
Fax: 202-268-5353

6-4.4.2 Inspection Service Controlled Items

Report all excess serviceable and all unserviceable Inspection Service items by memorandum to the local postal inspector-in-charge who will issue disposition instructions (see 6-2.2.1.3.2).

6-4.4.3 Mail Transport Equipment

The Mail Transport Equipment Service Centers authorize the disposal of all MTE.

6-4.4.4 Motor Vehicles

Refer to Handbook PO-701, *Fleet Management.*

6-4.5 Proprietary Items Requiring Special Processing

6-4.5.1 Accountable Paper

Accountable paper consists of postage stock, bird stamps, philatelic products, stamped papers, and blank money order stock. For detailed procedures concerning the proper management of accountable paper reference Handbook F-1, *Accounting and Reporting Policy.*

6-4.5.2 Postage Meter Printing Heads

6-4.5.2.1 Authorization

Postage meter printing heads purchased for use by Post Offices will be released from the assigned postmaster's equipment inventory accountability only with written authorization from the finance/budget manager. The items are transferred to another Postal Service installation for use or completely destroyed.

6-4.5.2.2 Destruction

After obtaining appropriate approvals, forward the unserviceable postage meter head and ring die/hub (by Registered Mail) to the maintenance manager at the appropriate Processing and Distribution Center/Facility for disposal action. Instructions for requesting approval and carrying out disposals are as follows:

a. Before requesting disposal authorization, review instructions on repair and replacement to ensure the item is not salvageable.
b. If disposal is warranted, the installation head/designee will prepare and process PS Form 969.
c. Once equipment accountability has been clearly established (rental vs. Postal Service ownership) and approval has been obtained, send the machine to the maintenance manager, who will have it completely demolished. Demolition includes rendering the meter completely unusable. The indicia is either pulverized or melted down.
d. At a minimum the supervised destruction committee consists of the installation head/designee and material accountability officer.

6-4.5.3 Imprinters

6-4.5.3.1 Postage Validation Imprinter

No local disposal action is authorized. Inoperable Postage Validation Imprinters (PVIs) are sent to the maintenance manager for return to the Topeka MDC.

6-4.5.3.2 Money Order Imprinters

Paymaster money order imprinters will be ordered from the Topeka MDC. Imprinters determined to be unserviceable or malfunctioning will be returned to the MDC via Registered Mail™. Before returning a money order imprinter, call the MDC Customer Service line at 800-332-0317, option 4 and provide details about why the imprinter is being returned. This will give the MDC an opportunity to assist with minor repairs to the imprinter, which could eliminate unnecessary shipping. For more detailed guidance on money order imprinters, reference: Handbook F-101, *Field Accounting Procedures,* 3-5 and 3-5.1.2.

Each return will be accompanied by a Paymaster Model 8100 Return Form (see Exhibit C-16 in Handbook F-101, *Field Accounting Procedures)* to the following address:

USPS MDC
BUILDING 302
500 SW GARY ORMSBY DR
TOPEKA, KS 66624-9998

The only disposal method for unserviceable money order imprinters is supervised destruction.

6-4.5.4 Post Office Boxes

6-4.5.4.1 Serviceable Items

Serviceable units should be listed in the EIC.

All combination type locks designated as unserviceable/obsolete can be recycled or sold. Units with key type locks must have the keys and locks removed or drilled out before sale or disposal.

Contact National Material Customer Service at 800-332-0317 or an AASC for specific disposition instructions regarding locks and keys.

6-4.5.4.2 Sales

Post Office Box fronts may be sold at any philatelic or other Postal Service retail outlet, provided keys and key type locks have been removed per 6-4.5.4.1.

6-4.5.4.3 Donations

Donations of Post Office boxes is prohibited including donations to federal or state agencies, academic institutions, nonprofit organizations, or a public body.

6-4.5.5 Automated Postal Centers (APC)

Reference Handbook PO-106, *Automated Postal Center (APC) Program.*

6-4.5.6 Permanently Marked Material

Postal Service indicia or markings must first be obliterated or removed prior to selling, donating, or transferring assets outside the Postal Service.

6-4.5.7 Collection Boxes

6-4.5.7.1 Policy

Collection boxes, including post type, street collection, and relay storage boxes, must not be loaned to organizations or agencies, including federal agencies, except as provided in 6-4.5.7.2.

6-4.5.7.2 Loans

With approval from the manager of Public Affairs, Corporate Communications, surplus collection boxes may be loaned to a federal agency such as a museum, for exhibit purposes only. There is no requirement to change the color or remove the indicia, although the lock must be removed and an audit trail established and maintained until the item is returned. A written license agreement must also be executed to keep the use of the collection box under Postal Service control. PS Form 1590 is signed by both parties with a signed license agreement acknowledging the Postal Service rights to monitor all collection box loans. A loan of a collection box for use in a motion picture, on broadcast or cable television, and/or in advertising agencies is executed under a licensing agreement for a fee or no fee. Rights and Permissions, Chief Counsel, Corporate Law, retains a copy of the license agreement when a collection box is licensed by a third party for use in the entertainment industry or for any other purposes. Requests are approved by the manager of Public Affairs, Corporate Communications.

6-4.5.7.3 Donations

Donations of collection boxes are prohibited including donations to federal or state agencies, academic institutions, nonprofit organizations, or a public body.

6-4.5.7.4 Destruction and Landfill Disposal

Collection boxes approved for destruction are destroyed by scrapping followed by metal recycling. Collection boxes must not be sent to a landfill. The scrapping/recycling process is the only authorized method for disposing of collection boxes. Follow the Environmental Protection Agency, federal, state, and local environmental regulations concerning the destruction, disposal, or recycling of metal objects.

6-4.5.8 Mail Processing Equipment

The district manager reports mail processing equipment, (e.g., facer cancellers, bar code sorters, flat sorters, parcels/bundle sorters) identified as unserviceable, obsolete, or surplus through Area In-Plant Support to Technology Acquisition and Program Management. Final disposal action is coordinated through the MAO with the AASC providing assistance as needed. Before recycling or sale, the area staff must enter all disposal information into Ethos, and the AASC and HQ Engineering must provide approval.

6-4.5.9 Information Technology Equipment

Contact the supporting IT organization for proper reporting and disposal instructions for all IT equipment (e.g., desktop computers, laptops, servers, printers, monitors, digital copiers, fax machines, and cell phones).

6-4.6 Methods and Priority

Postal Service property is not to be given (gifted) to postal employees with the exception of postal property expressly purchased for employee recognition.

6-4.6.1 Priority

When excess, surplus, or obsolete equipment, supplies, and repair parts cannot be redistributed, employ one of the disposal methods listed below. The method selected must be in the best interest of the Postal Service. The following list is in the preferred order of priority and corresponds with disposal codes in the SEAM disposal workflow process:

a. Trade-in.
b. Sale by the Postal Service installation.
c. Cannibalization for parts.
d. Recycle.
e. Transfer to a federal agency or branch of the military.
f. Donation to a state agency, public body, etc.
g. Destroyed (destruction and/or disposal).
h. Shrinkage (e.g., loss, theft, and accidental damage).
i. Physical inventory (adjustments made during random inventory audits).
j. Not Found-Cert (used only during annual certification).

6-4.6.2 Methods

6-4.6.2.1 Trade-in to Vendor

Trade-in is considered the most practical and efficient means of disposal. Therefore, this method should be the first one considered for disposing of equipment. The requesting office takes the following steps:

a. For capital items, the MAO initiates the disposal workflow in SEAM. For noncapital items, the MAO completes PS Form 969 per instructions on the form. ~~Consumable~~For consumable items (e.g., supplies, repair parts~~) do~~), the MAO is not ~~require completing a~~required to complete PS Form 969.
b. Cross-reference the trade-in item with the order or contract number of the purchased item.
c. Retain the vendor's receipt or applicable purchase order for the trade-in item on file in accordance with local procedures. If the trade-in item was a noncapital asset, retain the completed PS Form 969 along with the other applicable documents.
d. Verify that capital disposals went through the SEAM workflow and that the asset has been retired.

6-4.6.2.2 Sale by Postal Service Installation

6-4.6.2.2.1 Restrictions on Sales to Postal Employees

The following restrictions apply to sales to Postal Service employees:

a. *Material:* Material may be purchased by Postal Service employees, providing they are not connected in any way with the declaration of the excess material or approving it for sale. Any transactions involving the sale of postal material to postal employees must be in conjunction with public sales or auctions that have been advertised to the general public. It is imperative that the public does not perceive that postal employees have exclusive or preferential access to purchasing Postal Service surplus material. Additionally, Postal Service employees are *not prohibited* from purchasing any material offered for sale at a retail philatelic outlet, provided that the price is fixed at a uniform rate for all customers.
b. *Postal Service Vehicles:* Refer to Handbook PO-701, *Fleet Management.*

6-4.6.2.2.2 Informal Sales

The informal negotiated method may be used if each individual item to be sold has an estimated fair market value of $10,000 or less. Competition should be obtained and all sales should be conducted in the best interest of the Postal Service. Under this method, offers from the public may be obtained in writing, over the telephone, by fax, or in person, and the material is sold to the highest bidder. Informal sales are conducted in any of the following ways:

a. *Sealed Bid:* Items to be sold by informal sealed bid should be displayed for a period of five days prior to the published bid opening date. Bids received should be sealed in an envelope and kept in a secure place. The bids are opened by the installation head/designee and one witness, and sale items are awarded to the highest bidder. The successful bidder is notified and requested to make payment and pickup within a specified period.

b. *Negotiated Sales:* Negotiated sales may be used when small quantities of material need to be moved quickly due to time and space restrictions. Bids may be solicited by telephone or fax. Negotiated sales normally will not require advance notice.

c. *Tag Sales:* When it is in the best interest of the Postal Service, material including Post Office door/drawer fronts may be sold at postal and warehouse facilities. Door/drawer fronts will be sold individually or in small lots at a predetermined fixed price. Collectibles, for which approval has been obtained from the Postal Service historian, may also be sold at these outlets. Advertise sales by locally produced posters, mailings, news media, or other methods. See Exhibit 6-4.6.2.2.2c for an example of a locally produced sales poster.

d. *Scrap Sales:* Material that has no operational value, or material that has been offered and not sold, may be sold as waste. Scrap sales should normally be the last method of sale consistent with the best interest of the Postal Service.

Exhibit 6-4.6.2.2.2c
Locally Produced USPS Sale Poster

SALE

GOVERNMENT PROPERTY

Consisting of:

By:

Time & Date:

Location:

Inspection of Property:

For Additional Information Contact:

At:

Refer to Sale No.

6-4.6.2.2.3 Formal Sales

If the estimated fair market value of an item is $10,000 or more, contact the supporting AASC for guidance.

6-4.6.2.2.4 Procedures for Announcing and Conducting Sales

Sales are announced and conducted as follows:

a. *Public Notice:* Adequate public notice must be given for all sales, including auctions. Bidders' lists should be maintained of all known interested bidders.

b. *Informal Sales:* Competition should be obtained and all sales must be conducted in the best interest of the Postal Service. Keep the following considerations in mind:

   1. Negotiated sales normally will not require advance notice prior to actual sales.
   2. Informal sealed bid sales conducted locally normally require five days public notice.
   3. Retail sales may be advertised by mailings, placement of posters in nearby Post Offices and/or use of the news, internet media, etc. (See Exhibit 6-4.6.2.2.2c for an example of a locally produced sales poster.)
   4. Scrap sales normally will not require advance notice.

c. *Auctions:* Auctions may be conducted by the Postal Service or consigned to a second party, (e.g., an auctioneer or broker who will also collect payment), whichever is in the best interest of the Postal Service. A "Sale" notice will be published by poster, flyer, or some form of news media, and mailed out to those on the bidders list, stating the general terms as well as any special or unusual sale conditions. On the day of the sale, the auctioneer will restate the conditions of the sale prior to beginning the auction. Material for which offers have been rejected, or for which no bids were received, may be offered again later in this sale, or sold as scrap.

6-4.6.2.2.5 Payment Procedure

~~Processing~~Process payments as follows:

a. *Collection of Sales Price:* Under both sealed bid procedure and postal conducted auction procedure, the sales price is collected prior to removal of the material from the sale site. Payment procedures at consignment auctions are determined by the contract between the Postal Service and the auctioneer.

b. *Separation of Duties:* A determination of how best to handle payment arrangements is made according to the following guidelines:

   1. When the sale site is immediately adjacent to a Post Office, station or branch, customers should go directly to a designated sales associate.
   2. When the sale site is not adjacent to a Post Office, station or branch, arrange for a postal location to handle payments, or designate a sales associate to go to the sale site to accept payments.
   3. If an employee other than a sales associate is used, the separation of duties in Handbook F-1, *Accounting and Reporting Policy,* 2-5.2.1.1, is applied.

c. *Form of Payment:* Payment may be made by cash, customer check, credit/debit cards or money order made payable to the U.S. Postal Service, as directed in Handbook F-1, *Accounting and Reporting Policy,* 3-1.

d. *Documentation:* The USPS Sales Slip, "Sale of Government Personal Property," is used in conjunction with a POS-generated PS Form 3544, *Post Office Receipt for Money.* ~~The sales slip~~The USPS Sales Slip (see Exhibit 6-1.6 for an image) functions as an invoice, a cash receipt, a permanent accounting record, and a material release document. Completion of the form is largely self-explanatory. A copy of the ~~sales slip~~USPS Sales Slip is available from the AASC website. ~~See Exhibit 6-1.6 for an image of the USPS Sales Slip.~~

e. *Sales Completion:* When payment is made, the sales associate (or other person designated to receive payment) completes PS Form 3544, entering the item or lot number and the material description from the USPS Sales Slip (see Exhibit 6-1.6). The sales associate gives the original PS Form 3544 and all three copies of the ~~Postal Service sales slip are given~~USPS Sales Slip to the buyer. The buyer presents those ~~forms~~documents to the MAO (or other employee in charge of the sale), who signs all three copies of the USPS Sales Slip, gives the buyer its copy of the ~~form~~USPS Sales Slip and the original PS Form 3544, and releases the material.

6-4.6.2.2.6 Reporting Sale and Recording Revenue

~~Sales are reported~~ Report sales and record revenues ~~duly recorded~~ as follows:

a. *Forms Distribution:* ~~Copies~~Locally file copies of the sales slip, PS Form 969, and PS Form 3544 ~~are filed locally~~.

b. *Recording Revenue:*

   1. AIC 149: Funds collected from the sale of paper, plastic, and other recyclables such as: Aluminum, Batteries (Non-vehicle), Cardboard, Fluorescent Bulbs, Glass, Newsprint, Pallets, Printed Matter from Mail Recovery Centers, Plastic, Rubber, Shrink Wrap, Twine, Waste Paper and other recyclables.
   2. AIC 151: Sale of Unserviceable Motor Vehicle Parts, Tires, Cylinder Oil, and Refunds for Oil Drums and Other Containers.

3. AIC 156: Sale of Miscellaneous Equipment.

   Note: ~~Includes~~Include supplies, ~~non-vehicle~~nonvehicle parts, and scrap metal.

4. AIC 157: Sale of Postal Antiques.

c. *Auction Attachments:* Document the sale with a copy of the auctioneer's contract detailing the services to be performed.

6-4.6.2.3 Cannibalization for Parts

When material can no longer be used in its original configuration, it may be cannibalized. Cannibalizing refers to the removal of serviceable parts for use in the repair of other equipment, such as major mechanization. No Postal Service employee may appropriate for personal use any item that is to be destroyed.

6-4.6.2.4 Sale for Recycling

Before disposing of hazardous material, contact Area Environmental or the supporting AASC for information concerning recycling and waste reduction resources. Landfill disposal is the last resort for the U.S. Postal Service. All items or material designated for landfills must meet the regulatory guidelines established by the Environmental Protection Agency, State and local laws, and Postal Service regulations (reference Handbook AS-552, *Pollution Prevention Guide).*

Contact the Environmental Policy and Programs (EPP) office and follow guidelines in Handbook AS-550A, *Paper and Paperboard Recycling Guide,* Handbook AS-550B, *Paper and Paperboard Recycling Plan* and Handbook AS-552, *Pollution Prevention Guide.*

Note: AASCs will be notified prior to implementing any disposal activity. Refer to Management Instruction EL-890-2007-5, *Integrated Waste Management Instruction.*

6-4.6.2.5 Transfers to Federal Agencies (Including Military)

6-4.6.2.5.1 Federal Agencies

Material may be transferred to other federal agencies with or without reimbursement, depending on whether the material has value to the Postal Service. Items may be transferred with the approval of the installation head/designee without cost to the Postal Service. The installation head or owning organization should contact the supporting AASC. The AASC will work with the USPS National Utilization Officer (NUO) to coordinate the transfer.

6-4.6.2.5.2 Military Organizations Army Post Offices/Fleet Post Offices/Diplomatic Post Offices (APOs/FPOs/DPOs)

When USPS capital items in use by APOs/FPOs/DPOs have reached their fully depreciated value, the accountable postal organization will transfer them permanently to the holding military organization. The MAO at the owning finance number initiates the disposal workflow in SEAM to retire the asset. The retirement is documented once the workflow has been completed.

6-4.6.2.6 Donation to a Federal or State Agency, Academic Institution, Nonprofit Organization, or a Public Body

The facility installation head/designee must obtain a written request, signed by an officer of the qualifying agency, which includes the agency's tax-exempt identification number and telephone number. Upon receipt of the written request, the installation head/designee will prepare and process PS Form 969 (noncapital items) and attach the documentation to the form. For capital items, follow the same process except that the MAO initiates the disposal workflow in SEAM in lieu of using PS Form 969. The installation head/designee notifies the requesting agency the material is ready for pickup or shipping. The requesting entity should pay packing and shipping costs. The installation head/designee must obtain a signature for receipt of the material, (e.g., on the original written request).

6-4.6.2.7 Destruction and Landfill Disposal

6-4.6.2.7.1 Procedure

A variety of federal and state requirements set standards for municipal landfills. Postal Service employees must use existing methods to collect and transfer materials to landfills in accordance with Handbook AS-550A, *Paper and Paperboard Recycling Guide,* Handbook AS-550B, *Paper and*

Paperboard Recycling Plan, and Handbook AS-552, *Pollution Prevention Guide.* Each facility must build a recycling team, conduct a waste stream assessment, select the best recycling methods, and understand and publicize to all employees the principles of collection, storage, and transfer.

6-4.6.2.7.2 Costs

Reasonable removal costs that are within local purchasing authority may be incurred and should be charged to the account covering trash removal.

6-4.6.2.8 Adjustments: Loss, Theft, and Accidental Damage or Destruction

6-4.6.2.8.1 Loss and Theft

Employees must report all lost or stolen material through their immediate supervisor or manager to the installation head. The installation head will determine whether the quantity and value of lost or stolen items also warrants submission of an explanatory memorandum to the local inspector-in-charge. For capital property, the MAO initiates the disposal workflow in SEAM ~~and,~~ indicating in the reason code~~, indicates~~ that the retirement is due to loss or theft.

6-4.6.2.8.2 Accidental Damage or Destruction

If capital or sensitive equipment is damaged to the point it is non-reparable, it must be disposed of according to procedures outlined in this chapter. The MAO then initiates the disposal workflow in SEAM.

6 Asset Recovery: Redistribution, Recycling, and Disposal

6-1 Introduction

6-1.1 Policy

Through asset recovery, items no longer required with regards to their original purpose are reclaimed or restored to a degree of usefulness. Asset recovery benefits the Postal Service as a component of supply chain management practices and methodologies while also supporting environmental protection policies. Incorporating USPS environmental policies into procedures governing asset redistribution, recycling, and disposal supports USPS objectives. The Postal Service is committed to conducting all its activities in a manner that protects human health and the environment.

6-1.2 Applicability

The policies and procedures in this chapter apply to the redistribution, recycling, and disposal of material throughout the Postal Service. All USPS personnel must comply with these policies and procedures.

6-1.3 Purpose

This chapter provides procedures for the handling of assets/materials as follows:

a. Identification and reporting (see 6-2).

b. Redistribution (see 6-3).

c. Recycling and disposal (see 6-4).

6-1.4 Responsibilities

Facility installation heads, functional managers, finance managers, material accountability officers (MAOs), and other employees designated as responsible for material management must take all necessary steps to ensure the prompt and proper redistribution, recycling, and disposal of material.

6-1.4.1 Operational Personnel

Postal Service managers at all functional levels are responsible for the following:

a. Ensuring funds are not spent for new material if the need can be filled timely and economically by using the Excess Items Catalog (EIC).

b. Ensuring inactive serviceable assets both excess to the manager's own operational needs and what is planned for future use, are identified, reviewed and reported to the installation head/MAO. Handle assets identified for transfer to another postal entity in accordance with the procedures in this chapter (see 6-4.4.3).

6-1.4.2 Facility Installation Heads and MAOs

Facility installation heads are responsible and accountable for all material in their organization. They may delegate in writing (see 5-3.1), material accountability responsibility to their appointed MAO (see 5-1.4.2). Critical responsibilities relating to material identification, reporting, and transferring inactive assets are as follows:

a. Accurately identifying inactive assets using appropriate resources such as Publication 247, *Supply and Equipment Catalog.*

b. Determining serviceability of inactive assets.

c. Maintaining communication with appropriate functional managers concerning repairable equipment to be returned to use.

d. Ensuring all assets identified as excess serviceable are promptly and accurately reported through channels.

e. Maintaining inventory control of inactive equipment assets within the facility, either manually or automated, and filling requirements from the EIC in lieu of new purchases.
f. Ensuring excess assets requested by another Postal Service entity are promptly transferred in accordance with 6-4.
g. Promptly coordinating changes in status of inactive assets, (e.g., put into local use) with the guidance of the supporting Asset Accountability Service Center (AASC).
h. Ensuring all serviceable excess items are placed in the EIC.

6-1.4.3 Maintenance Management

Maintenance management employees are critical to assuring inactive serviceable (ready for immediate use) assets are declared excess. Maintenance management is responsible for the following:

a. Assisting the MAO in accurately identifying inactive assets, using the appropriate resources.
b. Determining serviceability of inactive assets.
c. Determining feasibility of repair versus disposal of inactive assets.
d. Promptly ensuring repairs to inactive assets are made and these assets are reported through the appropriate channels, with assistance from the MAO.
e. Reporting inactive assets to the MAO.
f. Ensuring inactive assets destined for transfer are properly packaged for shipment to avoid damage during transit.
g. Assisting the MAO in ensuring excess assets are promptly transferred.
h. Conducting regular inventory assessments to control excess using the Maintenance Inventory Support Process (MISP) reports from the Maintenance Activity Reporting & Scheduling (eMARS) system (see Handbook MS-63, *Maintenance Operations Support,* Subchapter 19).
i. Promptly reporting any changes in status of inactive assets, (e.g., returned to local use) to the MAO.

6-1.4.4 Asset Accountability Service Centers

AASCs develop inventory control processes and policies for re-distribution of excess assets and the disposal of surplus and obsolete items. The AASCs are responsible for approving or declining items, catalog maintenance, removing items from EIC, and order management. Additionally, AASCs support the Investment Recovery Plan to generate revenue through the development and implementation of national disposal programs.

The AASC contact information is located at *http://blue.usps.gov/purchase/assetmgnt/am_aasc_home.htm*.

6-1.5 Definitions

The following are definitions of terms used in this chapter:

a. *Antique:* A unique or commercial object owned by the Postal Service that is at least 100 years old.
b. *Artwork:* A painting, sculpture, mural, drawing, mobile, engraving, etching, etc., owned by the Postal Service and located in a Postal Service facility or on loan to a museum, historical society, library, etc. Artwork may be of any age.
c. *Collectible:* Anything that has value or interest for a person or organization and is less than 100 years old. Age distinguishes a collectible from an antique. Examples of Postal Service collectibles are a 1920 Seth Thomas wall clock in an oak case; a collection bag used prior to 1930; an airmail mailbag; leather topped oak lobby tables; a brass, post mounted collection box; and a hanging scale.

d. *Disposal:* The process of properly relinquishing possession of assets that are non-reparable, or inactive to Postal Service needs through trade-in, sale, cannibalization, sale for recycling, transfer, donation, or placement in a landfill (see 6-4).

e. *Excess assets:* All assets that are not being used (see 6-2.2).

f. *Excess Items Catalog (EIC):* An eBuyPlus catalog that lists excess Postal Service items for nationwide redistribution.

g. *Memorabilia:* Written or printed manuscripts, documents, books, and publications may be considered antique, collectible, or of potentially historic value. Memorabilia are to be maintained and protected because their intellectual content contributes to the documentation and understanding of the history of the structure, functions, and activities of the Postal Service or Post Office Department. Examples include postmasters' certificates of commission, personal correspondence, journals, diaries and scrapbooks, copies of press releases and clippings, and copies of speeches.

h. *Object of Historic Value:* Something that is one of a kind, rare, or associated with a particularly significant person or event in postal history. An example of an object of historic value is a ballpoint pen used by President Bush to sign the Postal Accountability and Enhancement Act of 2006.

i. *Recycling:* The collecting, processing, redistributing and reusing, of material otherwise destined to be discarded.

j. *Redistribution:* The process of returning inactive serviceable assets to the source of supply or transferring them to a Postal Service entity that has a need.

6-1.6 Postal Service Documents Used

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

a. PS Form 965, *Salvage or Junk Tag.*

b. PS Form 969, *Material Recycling and Disposal (Noncapital).*

c. PS Form 3544, *USPS Receipt for Money or Services.*

d. PS Form 4707, *Out of Order* (tag).

e. PS Form 7340, *Property Transfer Request* (for noncapital/expendable assets).

f. USPS Sales Slip (see Exhibit 6-1.6). A copy of the USPS Sales Slip is available from the AASC website — produce copies locally.

All forms not on the web must be ordered via eBuyPlus.

Note: Complete capital property transfers and disposals through SEAM for redistribution and disposal of these assets.

Exhibit 6-1.6
USPS Sales Slip, Sale of Government Personal Property

UNITED STATES POSTAL SERVICE SALES SLIP
SALE OF GOVERNMENT PERSONAL PROPERTY

Buyer's Name and Address

Date of Sale

ALL PROPERTY LISTED BELOW MUST BE PAID FOR IN FULL AND REMOVED BY Date >

Item or Lot No.	Description	Price
Deposit in AIC No.	TOTAL AMOUNT >	
PAYMENT RECEIVED	BY (Signature)	Paid on Date of Sale >

I ACKNOWLEDGE RECEIPT OF THE PROPERTY DESCRIBED ABOVE

Signature of Buyer or Authorized Representative — Date

USPS Sales Slip
(August 2010)

6-2 Material Identification and Reporting

6-2.1 General

Inactive material accounts for a portion of total Postal Service assets. Some factors that lead to inactive assets include changing requirements, erroneous stocking objectives, inaccurate purchasing, excess capacity, and obsolescence. The Postal Service can reduce total cost of ownership through accurate material identification and reporting to ensure redistribution, recycling, and disposal of these assets. Cost avoidance can be realized through the use of the EIC to redistribute assets versus making new purchases.

6-2.2 Reporting of Excess Assets

6-2.2.1 Reporting Methods

6-2.2.1.1 Excess Item Catalog

EIC provides the ability for eBuyPlus users to identify and acquire excess items within the Postal Service. Postal Service excess items that are no longer needed by one facility are made available to others. Any Postal employee who is an authorized eBuyPlus user may add new items to EIC or find and view excess items. For information or training on the use of the EIC, contact an AASC.

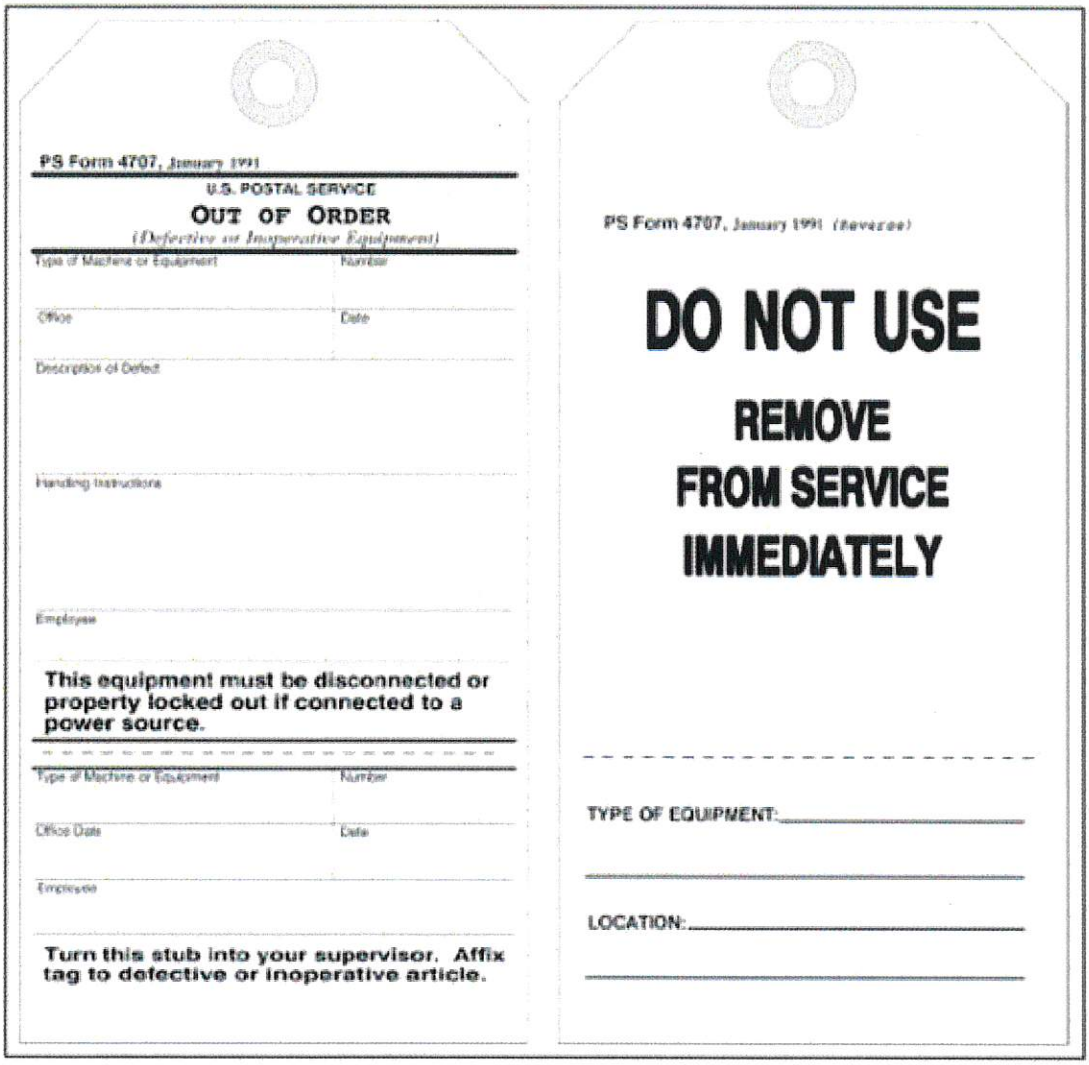
6-2.2.1.2 Tag Reporting

Use the following forms to tag and report inactive assets:

a. Use PS Form 4707, *Out of Order (tag),* to identify equipment in need of repair. For an image of this form, see Exhibit 6-2.2.1.2a. Once completed, the string part is attached to the equipment and the detachable stub is forwarded to maintenance management. Before initiating repair, the installation head or designee must determine whether the repair should be performed. When repairs to an unserviceable item are deemed not cost effective, tag the item with a PS Form 965 and initiate recycling or disposal action.

b. Use PS Form 965, *Salvage or Junk Tag,* to identify unserviceable equipment that is not cost effective to repair. Take immediate recycling or disposal action. For an image of this form, see Exhibit 6-2.2.1.2b.

Exhibit 6-2.2.1.2a
PS Form 4707, Out of Order (tag)


PS Form 4707, January 1991

U.S. POSTAL SERVICE

OUT OF ORDER

(Defective or Inoperative Equipment)

Type of Machine or Equipment | Number

Office | Date

Description of Defect

Handling Instructions

Employee

This equipment must be disconnected or property locked out if connected to a power source.

Type of Machine or Equipment | Number

Office Date | Date

Employee

Turn this stub into your supervisor. Affix tag to defective or inoperative article.

PS Form 4707, January 1991 (Reverse)

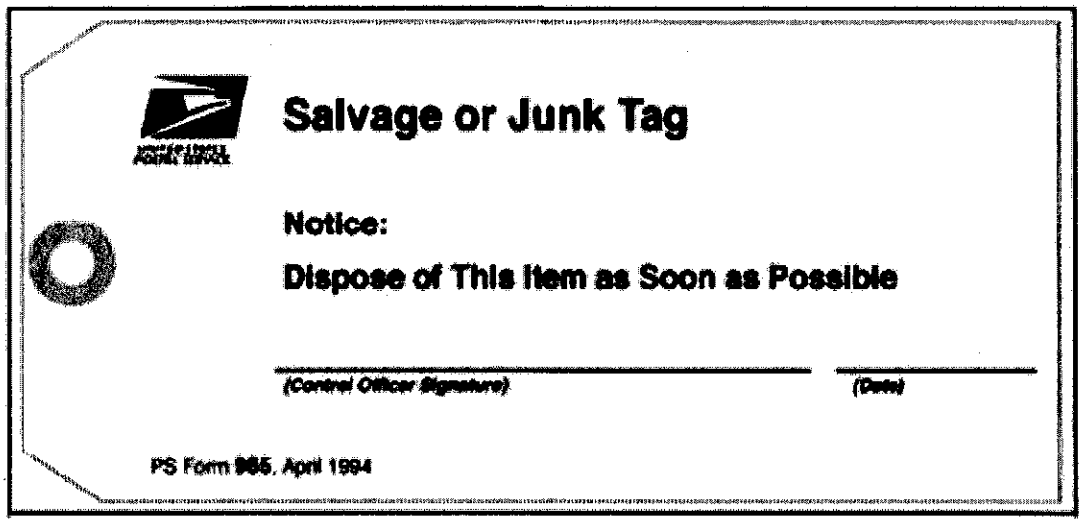
DO NOT USE

REMOVE FROM SERVICE IMMEDIATELY

TYPE OF EQUIPMENT:_____

LOCATION:_____

Exhibit 6-2.2.1.2b
Form 965, Salvage or Junk Tag



Salvage or Junk Tag

Notice:

Dispose of This Item as Soon as Possible

(Control Officer Signature) (Date)

PS Form 965, April 1994

6-2.2.1.3 Special Equipment Reporting

6-2.2.1.3.1 Information Technology Equipment

Report excess, obsolete, or non-repairable Information Technology (IT) equipment (e.g., desktop computers, laptops, servers, printers, monitors, digital copiers, fax machines, and cell phones) to the supporting IT organization for disposition. IT updates its AIMS database and provides disposition instructions to the reporting activity.

6-2.2.1.3.2 Inspection Service Items

The transfer and disposal of the following items, both serviceable and unserviceable, are controlled by the Inspection Service. Disposition instructions must be obtained by reporting via memorandum the item number, description, and quantity of excess/surplus items to the local postal inspector-in-charge. Enter excess security containers into the EIC. Notify the local postal inspector-in-charge prior to any transfer or disposal action.

Prior to selling or disposing of security containers, contact the AASC for additional guidance.

Descriptions	PSIN
Security Containers (Safe)	293–299
Inspection Service Locks	091SP, 0912B, 0912C, 0912D, 0931A, 0931AHR, 0931CYL, 0931AO, 0931AHL, 0931O
Observation units	01239, 01240
Observation unit replacement Glass	01240A

6-2.2.1.3.3 Mail Transport Equipment

Post Offices contact Transportation Networks at the supporting processing and distribution center (P&DC) for instructions. Excess mail transport equipment (MTE) located at plants is reported to the Mail Transport Equipment Service Centers (MTESC). Disposal of all MTE is handled by the MTESCs – local disposal is not authorized.

6-2.2.1.3.4 Major Mechanized and Automated Equipment

Transfers and disposals require prior approval from Technology Acquisition and Program Management and Area In-Plant Support.

6-3 Redistribution

6-3.1 General

Redistribution is the transfer of assets from one postal installation to another.

6-3.2 Return/Transfer Processes

6-3.2.1 Return to Material Distribution Center (MDC)

Parts considered for return to the MDC must be new, properly marked, and in the original package. The MDC will only accept line item values of $50.00 or more. Additionally, supply item(s) must also be the current edition date in full carton quantities. Excess items cannot be returned without prior approval, which must be requested electronically through the Web-Based Return Authorization System (WebRA) and can be accessed at *https://emdims.usps.gov/RETURNS/jsp/fieldReturn.jsp*.

For supply item returns call National Materials Customer Service (NMCS) to request Return Authorization (RA). Returns must have a minimum per item requirement of $50.00 with full carton quantities.

Items the MDC will not provide a return of authorization for or a vendor refuses to take back, contact the supporting AASC. The AASC will provide guidance and assist the MAO's with implementing a proper redistribution or disposal method.

6-3.2.2 Equipment Return Procedures for Discrepant Order

When there are shipping errors on items ordered through the MDC, contact NMCS to have the error corrected. Have the initial shipment documentation available when calling the NMCS. If the order discrepancy was caused by an MDC error, NMCS will credit the site or authorize a return. Do not return any items to the MDC without an RA. Do not return items via Priority Mail.

6-3.3 Transfers Between Postal Service Facilities

6-3.3.1 Repair Parts

A maintenance site or the MDC may request transfer of a repair part. Credit will be granted at 100 percent of book value.

Maintenance sites with excess stock will receive a notice through the Enhanced Spare Parts Initiative (eSPIN) requesting the part designated excess be transferred to another facility. Once it has been determined the item is on hand, a transfer will be initiated in accordance with eSPIN and local procedures. If the item is not available, the office designated to perform the transfer will make the necessary adjustments to their stocking quantities in eMARS. (See Exhibit 6-3.3.1.) This action will ensure the part is no longer classified as excess.

Exhibit 6-3.3.1
eMARS Source Codes

Source Code	Inventory Source Description
1	Reparable parts available from MDC that are 1 for 1
2	Do not buy items per MMO 024 05
A	Reparable parts available from MDC that are for local stock
B	Items procured by blanket purchase agreements
C	Items procured from a manufacturer. For parts supplied under warranty
D	Items procured from Defense Logistics Agency (DLA)
F	Loan tools
G	Items procured from regional GSA supply centers
H	Identifies items procured from federal supply schedule
K	Identifies items procured from local GSA store
L	Items procured from local suppliers
M	Items procured as required (manually)
N	Reparable items procured from a local source - repair local
R	Reparable items procured from the MDC as listed In Pub 112, *SPEC Supplies, Parts, and Equipment Catalog*
S	Items procured from MDC as in Pub. 247, *Supply and Equipment Catalog*
T	Non-reparable items procured from MDC as listed in Pub 112, *SPEC Supplies, Parts, and Equipment Catalog*
U	Reparable items procured from MDC that are repaired locally
X	Items to be automatically deleted from the Sr/Bs inventory master file when BOH=0

Note: If the capital property ID label is not affixed to the property and is in your possession, either place the label on the property prior to shipping or mail it directly to the receiving office.

6-3.3.2 Equipment

Excess equipment in serviceable condition must be posted in the EIC.

6-3.3.2.1 Process

6-3.3.2.2 Shipping Office

The facility installation head or MAO of the shipping office ensures that items are properly packaged for shipment and are expeditiously transferred. If the item is capital property, the MAO from the shipping office initiates the transfer process in SEAM by sending the workflow to the receiving MAO for acceptance. The Transfer site verifies that the property change is made in SEAM or the Enterprise Data Warehouse (EDW) by reviewing the Property Change for the Month listing or the Personal Property Pending Approval report. If the item is noncapital (expense), file PS 7340 (if applicable) in the expendable material transaction file.

6-3.3.2.3 Receiving Office

The facility installation head or MAO at the receiving office must take the following steps:

a. For noncapital items, keep a copy of the eBuyPlus requisition or other shipping/receiving documents in the pending file.
b. Upon receipt, verify the shipment against the transfer notification from SEAM or other shipping/receiving documents for accuracy. If the item is capital, ensure that the capital asset ID label is attached to the item and is identical to the asset number transferred via the SEAM workflow. If not, contact the shipping office or the AASC.
c. If an item scheduled to be shipped has not been received within 15 days, contact the shipper for assistance.
d. If capital, maintain a copy of the shipping documents in your capital property file. (See 5-5 and 5-6 for detailed instructions on filing and transfers.)

6-3.3.3 Special Equipment Redistribution

6-3.3.3.1 Automated Postal Center (APC)

The Area marketing manager and District retail manager review and coordinate relocation of APCs. Refer to Handbook PO-106, *Automated Postal Center (APC) Program,* for additional information.

6-3.3.3.2 Information Technology (IT) Equipment

Redistribution of IT equipment (e.g., desktop computers, laptops, servers, printers, monitors, digital copiers, fax machines, and cell phones) is controlled by the supporting IT organization. IT equipment is only transferred or reassigned to another activity or person with direction from the supporting IT organization.

6-3.3.3.3 Inspection Service Items

Normal redistribution procedures apply with approved requests for transfer (see 6-2.2.1.3.2).

6-3.3.3.4 Mail Transport Equipment (MTE)

The Mail Transport Equipment Service Centers control redistribution of MTE items.

6-3.3.3.5 Major Mechanization and Automated Equipment

Refer to 6-4.5.8 for more information.

6-3.3.3.6 Motor Vehicles

Fleet Management is responsible for controlling these assets. Refer to Handbook PO-701, *Fleet Management.*

6-3.3.3.7 Other Equipment

Asset Management Performance and Accountability controls all other equipment assets.

6-4 Recycling and Disposal

6-4.1 Approval and Disposition

Disposal actions and methods for capital and sensitive property are approved in advance. Some items require special documentation and handling such as antiques and collectibles. Accidental destruction, loss, or theft must also be documented. The requirement for prior approval is not applicable for material disposed of by trade-in.

6-4.2 Supervised Destruction Committee

The Supervised Destruction Committee witnesses the destruction of item(s) if block 9 on the PS Form 969 is checked. At a minimum, the facility installation head/designee and the MAO are members of the committee. For capital items requiring supervised destruction, the MAO initiates the disposal workflow in SEAM and lists the committee members in the justification field.

See 5-1.5 for capital and sensitive equipment.

6-4.3 Documentation

After the appropriate recycling or disposal action is taken for surplus or unserviceable/obsolete material, the MAO completes PS Form 969, *Material Recycling and Disposal (Noncapital),* and indicates on the form the amount received if the material was sold or traded in. Complete the PS Form 969 per instructions on the form. For capital items, the MAO initiates the disposal in SEAM, which triggers the disposal workflow and routes the disposal to the appropriate approvers. PS Form 969 is not required for consumables.

PS Form 969 is available on the Postal Service PolicyNet website:

- Go to *blue.usps.gov*.
- In the left-hand column under "Essential Links," click on *PolicyNet*.
- Click on *Forms,* and scroll down to the desired form.

The direct URL for the Postal Service PolicyNet website is *blue.usps.gov/cpim*.

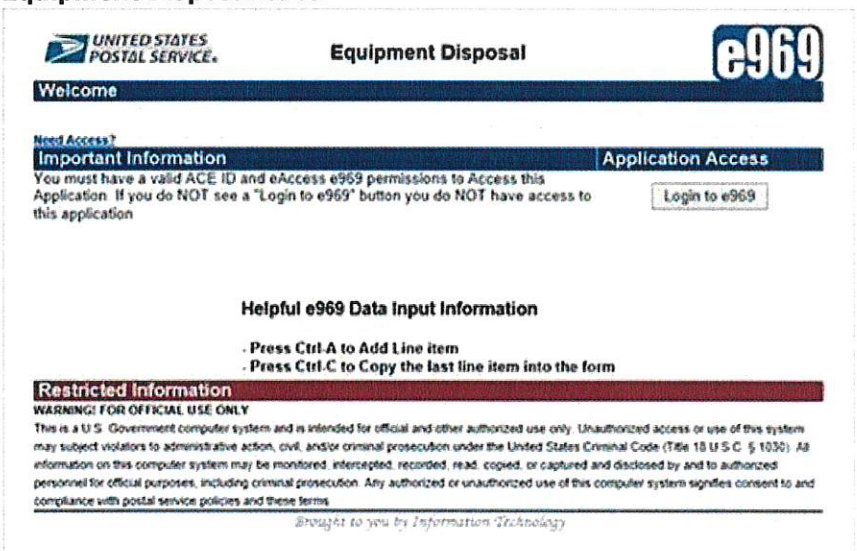
All organizations must use the e969 application to electronically capture the relevant information for disposal of electronic equipment (see Exhibit 6-4.3). That equipment includes, but is not limited to, the following:

- Workstations.
- Laptops.
- Monitors.
- Networking equipment.
- Printers.
- Copiers.
- Facsimile Machines.
- Servers.

Print PS Form 969 from the e969 application and use the form to complete the disposal process. For noncapital items, file the form in accordance with local procedures. For capital items, the MAO at the owning finance number must enter the asset number(s) into SEAM and initiate the disposal workflow in order for the asset to be retired. Postal Service employees can request access to the e969 application via eAccess.

Note: Entering capital items into the e969 application does not retire an asset number. You must complete the process in SEAM using the disposal workflow.

Exhibit 6-4.3
Equipment Disposal e969



6-4.4 Material Requiring Special Approval

6-4.4.1 Antiques and Collectibles

6-4.4.1.1 General

All antiques, collectibles, and objects of historic value, including artwork, must be controlled within a Postal Service facility and appropriately safeguarded to ensure they are not damaged, destroyed, stolen, or disposed of as junk or valueless property.

6-4.4.1.2 Exceptions

Except for the types of Postal Service property listed below, antiques and collectibles may be loaned or disposed of only with the specific approval of the Postal Service historian:

a. New Deal artwork (follow instructions in Handbook RE-1, *U.S. Postal Service Facilities Guide to Real Property Acquisitions and Related Services).*
b. Postal Service property listed in the current edition of Publication 247, *Supply and Equipment Catalog.*
c. Postal Service owned or leased real property.
d. Records (see 6-4.4.1.5).

6-4.4.1.3 Care of Historic Items

6-4.4.1.3.1 Responsibility

Managers at all levels must be aware of the antiques, collectibles, and objects of historic value, including artwork, which are in use, stored, or displayed in their facility. However, the facility installation head is ultimately responsible for historic items in his or her facility.

6-4.4.1.3.2 Preserving Antiques, Collectibles, and Objects of Historic Value

Properly care for and preserve all antiques, collectibles, and objects of historic value in use, on display, or in storage. Follow these general rules to enhance preservation:

a. Keep each object in a safe environment. Protect objects from theft; vibration; extremes of heat, cold, and humidity; excessive natural, incandescent, or fluorescent light; and physical damage (scratching, bumping, breaking, etc.).
b. Inspect objects every three months to make sure they have not become damaged or soiled.
c. Conserve objects as necessary. Guidance on selecting a qualified conservator may be obtained from:

   HISTORIAN
   UNITED STATES POSTAL SERVICE
   475 L'ENFANT PLAZA SW RM 11927
   WASHINGTON DC 20260

   Telephone: 202-268-2074
   email: *phistory@usps.gov*

   AMERICAN INSTITUTE FOR CONSERVATION
   1156 15TH ST NW STE 320
   WASHINGTON DC 20005-1714

   Telephone: 202-452-9545
   email: *info@conservation-us.org*

6-4.4.1.4 Transfer or Disposal

6-4.4.1.4.1 Approval for Disposal

Local Postal Service officials will not take disposal or other actions regarding historic items, whether by loan, donation, sale, or otherwise, without the approval of the Historian. Requests for such approval must include a clear photograph of the item, a written description of the item, the proposed method of disposal, and the reason why the proposed disposal is appropriate.

6-4.4.1.4.2 Loans

Loans of historic items, when approved, will be subject to the care and security requirements noted above. A written loan agreement is required. It must be signed by the local postal official and the authorized agent of the borrowing institution and set forth all the terms of the loan.

6-4.4.1.4.3 Sale or Auction

When the disposal of historical items by sale or auction has been approved, follow the guidance for disposal as set forth in this chapter. Antiques, collectibles, and objects of historic value may be sold with written approval from the Postal Service historian. These items can then be sold for investment recovery, and are exempt from posting in eBuyPlus. Compliance with 6-4.5.6, Permanently Marked Material, is required.

6-4.4.1.4.4 Receipts from Sale

Receipts from the sale of antiques, collectibles, or objects of historic value are entered in Account Identifier Code (AIC) 157, "Sale of Postal Antiques," on the Point of Sale (POS) unit. The entry to AIC 157 will be reflected in Special Revenue Account 44036, "Other Miscellaneous - Sale of Postal Antiques."

6-4.4.1.5 Records

6-4.4.1.5.1 Records Created Before Postal Reorganization on July 1, 1971

All old records that were generated by the Post Office Department are subject to the Federal Records Act and must be offered to the National Archives and Records Administration for appraisal, disposition instructions, and, if warranted, accession into the National Archives.

6-4.4.1.5.2 Records Created After Postal Reorganization on July 1, 1971

Postal Service records are the property of the Postal Service. Postal Service functional groups with an interest in the records determine their disposition. All such records should be maintained and disposed of in accordance with existing records control schedules appearing in the Electronic Records Information Management System (eRIMS). Additional policy guidance can be found in Chapter 6 of Handbook AS-353, *Guide to Privacy, the Freedom of Information Act and Records Management.*

6-4.4.1.5.3 Assistance

For assistance in handling records created before July 1, 1971, and in the disposition of Postal Service records created after that date, contact:

RECORDS OFFICE
UNITED STATES POSTAL SERVICE
475 L'ENFANT PLAZA SW RM 4541
WASHINGTON DC 20260

Telephone: 202-268-2608
Fax: 202-268-5353

6-4.4.2 Inspection Service Controlled Items

Report all excess serviceable and all unserviceable Inspection Service items by memorandum to the local postal inspector-in-charge who will issue disposition instructions (see 6-2.2.1.3.2).

6-4.4.3 Mail Transport Equipment

The Mail Transport Equipment Service Centers authorize the disposal of all MTE.

6-4.4.4 Motor Vehicles

Refer to Handbook PO-701, *Fleet Management.*

6-4.5 Proprietary Items Requiring Special Processing

6-4.5.1 Accountable Paper

Accountable paper consists of postage stock, bird stamps, philatelic products, stamped papers, and blank money order stock. For detailed procedures concerning the proper management of accountable paper reference Handbook F-1, *Accounting and Reporting Policy.*

6-4.5.2 Postage Meter Printing Heads

6-4.5.2.1 Authorization

Postage meter printing heads purchased for use by Post Offices will be released from the assigned postmaster's equipment inventory accountability only with written authorization from the finance/budget manager. The items are transferred to another Postal Service installation for use or completely destroyed.

6-4.5.2.2 Destruction

After obtaining appropriate approvals, forward the unserviceable postage meter head and ring die/hub (by Registered Mail) to the maintenance manager at the appropriate Processing and Distribution Center/Facility for disposal action. Instructions for requesting approval and carrying out disposals are as follows:

a. Before requesting disposal authorization, review instructions on repair and replacement to ensure the item is not salvageable.

b. If disposal is warranted, the installation head/designee will prepare and process PS Form 969.

c. Once equipment accountability has been clearly established (rental vs. Postal Service ownership) and approval has been obtained, send the machine to the maintenance manager, who will have it completely demolished. Demolition includes rendering the meter completely unusable. The indicia is either pulverized or melted down.

d. At a minimum the supervised destruction committee consists of the installation head/designee and material accountability officer.

6-4.5.3 Imprinters

6-4.5.3.1 Postage Validation Imprinter

No local disposal action is authorized. Inoperable Postage Validation Imprinters (PVIs) are sent to the maintenance manager for return to the Topeka MDC.

6-4.5.3.2 Money Order Imprinters

Paymaster money order imprinters will be ordered from the Topeka MDC. Imprinters determined to be unserviceable or malfunctioning will be returned to the MDC via Registered Mail™. Before returning a money order imprinter, call the MDC Customer Service line at 800-332-0317, option 4 and provide details about why the imprinter is being returned. This will give the MDC an opportunity to assist with minor repairs to the imprinter, which could eliminate unnecessary shipping. For more detailed guidance on money order imprinters, reference: Handbook F-101, *Field Accounting Procedures,* 3-5 and 3-5.1.2.

Each return will be accompanied by a Paymaster Model 8100 Return Form (see Exhibit C-16 in Handbook F-101, *Field Accounting Procedures)* to the following address:

USPS MDC
BUILDING 302
500 SW GARY ORMSBY DR
TOPEKA, KS 66624-9998

The only disposal method for unserviceable money order imprinters is supervised destruction.

6-4.5.4 Post Office Boxes

6-4.5.4.1 Serviceable Items

Serviceable units should be listed in the EIC.

All combination type locks designated as unserviceable/obsolete can be recycled or sold. Units with key type locks must have the keys and locks removed or drilled out before sale or disposal.

Contact National Material Customer Service at 800-332-0317 or an AASC for specific disposition instructions regarding locks and keys.

6-4.5.4.2 Sales

Post Office Box fronts may be sold at any philatelic or other Postal Service retail outlet, provided keys and key type locks have been removed per 6-4.5.4.1.

6-4.5.4.3 Donations

Donations of Post Office boxes is prohibited including donations to federal or state agencies, academic institutions, nonprofit organizations, or a public body.

6-4.5.5 Automated Postal Centers (APC)

Reference Handbook PO-106, *Automated Postal Center (APC) Program.*

6-4.5.6 Permanently Marked Material

Postal Service indicia or markings must first be obliterated or removed prior to selling, donating, or transferring assets outside the Postal Service.

6-4.5.7 Collection Boxes

6-4.5.7.1 Policy

Collection boxes, including post type, street collection, and relay storage boxes, must not be loaned to organizations or agencies, including federal agencies, except as provided in 6-4.5.7.2.

6-4.5.7.2 Loans

With approval from the manager of Public Affairs, Corporate Communications, surplus collection boxes may be loaned to a federal agency such as a museum, for exhibit purposes only. There is no requirement to change the color or remove the indicia, although the lock must be removed and an audit trail established and maintained until the item is returned. A written license agreement must also be executed to keep the use of the collection box under Postal Service control. PS Form 1590 is signed by both parties with a signed license agreement acknowledging the Postal Service rights to monitor all collection box loans. A loan of a collection box for use in a motion picture, on broadcast or cable television, and/or in advertising agencies is executed under a licensing agreement for a fee or no fee. Rights and Permissions, Chief Counsel, Corporate Law, retains a copy of the license agreement when a collection box is licensed by a third party for use in the entertainment industry or for any other purposes. Requests are approved by the manager of Public Affairs, Corporate Communications.

6-4.5.7.3 Donations

Donations of collection boxes are prohibited including donations to federal or state agencies, academic institutions, nonprofit organizations, or a public body.

6-4.5.7.4 Destruction and Landfill Disposal

Collection boxes approved for destruction are destroyed by scrapping followed by metal recycling. Collection boxes must not be sent to a landfill. The scrapping/recycling process is the only authorized method for disposing of collection boxes. Follow the Environmental Protection Agency, federal, state, and local environmental regulations concerning the destruction, disposal, or recycling of metal objects.

6-4.5.8 Mail Processing Equipment

The district manager reports mail processing equipment, (e.g., facer cancellers, bar code sorters, flat sorters, parcels/bundle sorters) identified as unserviceable, obsolete, or surplus through Area In-Plant Support to Technology Acquisition and Program Management. Final disposal action is coordinated through the MAO with the AASC providing assistance as needed. Before recycling or sale, the area staff must enter all disposal information into Ethos, and the AASC and HQ Engineering must provide approval.

6-4.5.9 Information Technology Equipment

Contact the supporting IT organization for proper reporting and disposal instructions for all IT equipment (e.g., desktop computers, laptops, servers, printers, monitors, digital copiers, fax machines, and cell phones).

6-4.6 Methods and Priority

Postal Service property is not to be given (gifted) to postal employees with the exception of postal property expressly purchased for employee recognition.

6-4.6.1 Priority

When excess, surplus, or obsolete equipment, supplies, and repair parts cannot be redistributed, employ one of the disposal methods listed below. The method selected must be in the best interest of the Postal Service. The following list is in the preferred order of priority and corresponds with disposal codes in the SEAM disposal workflow process:

a. Trade-in.
b. Sale by the Postal Service installation.
c. Cannibalization for parts.
d. Recycle.
e. Transfer to a federal agency or branch of the military.
f. Donation to a state agency, public body, etc.
g. Destroyed (destruction and/or disposal).
h. Shrinkage (e.g., loss, theft, and accidental damage).
i. Physical inventory (adjustments made during random inventory audits).
j. Not Found-Cert (used only during annual certification).

6-4.6.2 Methods

6-4.6.2.1 Trade-in to Vendor

Trade-in is considered the most practical and efficient means of disposal. Therefore, this method should be the first one considered for disposing of equipment. The requesting office takes the following steps:

a. For capital items, the MAO initiates the disposal workflow in SEAM. For noncapital items, the MAO completes PS Form 969 per instructions on the form. For consumable items (e.g., supplies, repair parts), the MAO is not required to complete PS Form 969.
b. Cross-reference the trade-in item with the order or contract number of the purchased item.
c. Retain the vendor's receipt or applicable purchase order for the trade-in item on file in accordance with local procedures. If the trade-in item was a noncapital asset, retain the completed PS Form 969 along with the other applicable documents.
d. Verify that capital disposals went through the SEAM workflow and that the asset has been retired.

6-4.6.2.2 Sale by Postal Service Installation

6-4.6.2.2.1 Restrictions on Sales to Postal Employees

The following restrictions apply to sales to Postal Service employees:

a. *Material:* Material may be purchased by Postal Service employees, providing they are not connected in any way with the declaration of the excess material or approving it for sale. Any transactions involving the sale of postal material to postal employees must be in conjunction with public sales or auctions that have been advertised to the general public. It is imperative that the public does not perceive that postal employees have exclusive or preferential access to purchasing Postal Service surplus material. Additionally, Postal Service employees are *not prohibited* from purchasing any material offered for sale at a retail philatelic outlet, provided that the price is fixed at a uniform rate for all customers.
b. *Postal Service Vehicles:* Refer to Handbook PO-701, *Fleet Management.*

6-4.6.2.2.2 Informal Sales

The informal negotiated method may be used if each individual item to be sold has an estimated fair market value of $10,000 or less. Competition should be obtained and all sales should be conducted in the best interest of the Postal Service. Under this method, offers from the public may be obtained in writing, over the telephone, by fax, or in person, and the material is sold to the highest bidder. Informal sales are conducted in any of the following ways:

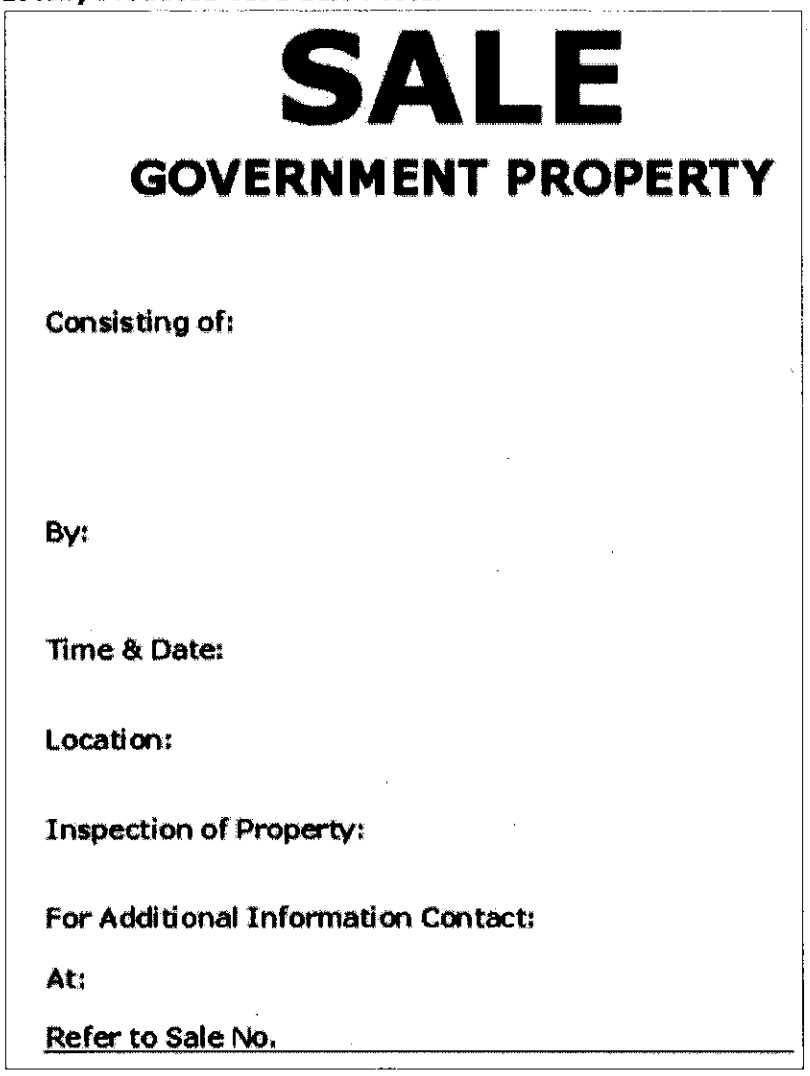
a. *Sealed Bid:* Items to be sold by informal sealed bid should be displayed for a period of five days prior to the published bid opening date. Bids received should be sealed in an envelope and kept in a secure place. The bids are opened by the installation head/designee and one witness, and sale items are awarded to the highest bidder. The successful bidder is notified and requested to make payment and pickup within a specified period.

b. *Negotiated Sales:* Negotiated sales may be used when small quantities of material need to be moved quickly due to time and space restrictions. Bids may be solicited by telephone or fax. Negotiated sales normally will not require advance notice.

c. *Tag Sales:* When it is in the best interest of the Postal Service, material including Post Office door/drawer fronts may be sold at postal and warehouse facilities. Door/drawer fronts will be sold individually or in small lots at a predetermined fixed price. Collectibles, for which approval has been obtained from the Postal Service historian, may also be sold at these outlets. Advertise sales by locally produced posters, mailings, news media, or other methods. See Exhibit 6-4.6.2.2.2c for an example of a locally produced sales poster.

d. *Scrap Sales:* Material that has no operational value, or material that has been offered and not sold, may be sold as waste. Scrap sales should normally be the last method of sale consistent with the best interest of the Postal Service.

Exhibit 6-4.6.2.2.2c
Locally Produced USPS Sale Poster



6-4.6.2.2.3 Formal Sales

If the estimated fair market value of an item is $10,000 or more, contact the supporting AASC for guidance.

6-4.6.2.2.4 Procedures for Announcing and Conducting Sales

Sales are announced and conducted as follows:

a. *Public Notice:* Adequate public notice must be given for all sales, including auctions. Bidders' lists should be maintained of all known interested bidders.
b. *Informal Sales:* Competition should be obtained and all sales must be conducted in the best interest of the Postal Service. Keep the following considerations in mind:
    1. Negotiated sales normally will not require advance notice prior to actual sales.
    2. Informal sealed bid sales conducted locally normally require five days public notice.
    3. Retail sales may be advertised by mailings, placement of posters in nearby Post Offices and/or use of the news, internet media, etc. (See Exhibit 6-4.6.2.2.2c for an example of a locally produced sales poster.)
    4. Scrap sales normally will not require advance notice.

c. *Auctions:* Auctions may be conducted by the Postal Service or consigned to a second party, (e.g., an auctioneer or broker who will also collect payment), whichever is in the best interest of the Postal Service. A "Sale" notice will be published by poster, flyer, or some form of news media, and mailed out to those on the bidders list, stating the general terms as well as any special or unusual sale conditions. On the day of the sale, the auctioneer will restate the conditions of the sale prior to beginning the auction. Material for which offers have been rejected, or for which no bids were received, may be offered again later in this sale, or sold as scrap.

6-4.6.2.2.5 Payment Procedure

Process payments as follows:

a. *Collection of Sales Price:* Under both sealed bid procedure and postal conducted auction procedure, the sales price is collected prior to removal of the material from the sale site. Payment procedures at consignment auctions are determined by the contract between the Postal Service and the auctioneer.

b. *Separation of Duties:* A determination of how best to handle payment arrangements is made according to the following guidelines:

   1. When the sale site is immediately adjacent to a Post Office, station or branch, customers should go directly to a designated sales associate.
   2. When the sale site is not adjacent to a Post Office, station or branch, arrange for a postal location to handle payments, or designate a sales associate to go to the sale site to accept payments.
   3. If an employee other than a sales associate is used, the separation of duties in Handbook F-1, *Accounting and Reporting Policy,* 2-5.2.1.1, is applied.

c. *Form of Payment:* Payment may be made by cash, customer check, credit/debit cards or money order made payable to the U.S. Postal Service, as directed in Handbook F-1, *Accounting and Reporting Policy,* 3-1.

d. *Documentation:* The USPS Sales Slip, "Sale of Government Personal Property," is used in conjunction with a POS-generated PS Form 3544, *Post Office Receipt for Money.* The USPS Sales Slip (see Exhibit 6-1.6 for an image) functions as an invoice, a cash receipt, a permanent accounting record, and a material release document. Completion of the form is largely self-explanatory. A copy of the USPS Sales Slip is available from the AASC website.

e. *Sales Completion:* When payment is made, the sales associate (or other person designated to receive payment) completes PS Form 3544, entering the item or lot number and the material description from the USPS Sales Slip (see Exhibit 6-1.6). The sales associate gives the original PS Form 3544 and all three copies of the USPS Sales Slip to the buyer. The buyer presents those documents to the MAO (or other employee in charge of the sale), who signs all three copies of the USPS Sales Slip, gives the buyer its copy of the USPS Sales Slip and the original PS Form 3544, and releases the material.

6-4.6.2.2.6 Reporting Sale and Recording Revenue

Report sales and record revenues as follows:

a. *Forms Distribution:* Locally file copies of the sales slip, PS Form 969, and PS Form 3544.

b. *Recording Revenue:*

   1. AIC 149: Funds collected from the sale of paper, plastic, and other recyclables such as: Aluminum, Batteries (Non-vehicle), Cardboard, Fluorescent Bulbs, Glass, Newsprint, Pallets, Printed Matter from Mail Recovery Centers, Plastic, Rubber, Shrink Wrap, Twine, Waste Paper and other recyclables.
   2. AIC 151: Sale of Unserviceable Motor Vehicle Parts, Tires, Cylinder Oil, and Refunds for Oil Drums and Other Containers.
   3. AIC 156: Sale of Miscellaneous Equipment.

      Note: Include supplies, nonvehicle parts, and scrap metal.

4. AIC 157: Sale of Postal Antiques.

c. *Auction Attachments:* Document the sale with a copy of the auctioneer's contract detailing the services to be performed.

6-4.6.2.3 Cannibalization for Parts

When material can no longer be used in its original configuration, it may be cannibalized. Cannibalizing refers to the removal of serviceable parts for use in the repair of other equipment, such as major mechanization. No Postal Service employee may appropriate for personal use any item that is to be destroyed.

6-4.6.2.4 Sale for Recycling

Before disposing of hazardous material, contact Area Environmental or the supporting AASC for information concerning recycling and waste reduction resources. Landfill disposal is the last resort for the U.S. Postal Service. All items or material designated for landfills must meet the regulatory guidelines established by the Environmental Protection Agency, State and local laws, and Postal Service regulations (reference Handbook AS-552, *Pollution Prevention Guide).*

Contact the Environmental Policy and Programs (EPP) office and follow guidelines in Handbook AS-550A, *Paper and Paperboard Recycling Guide,* Handbook AS-550B, *Paper and Paperboard Recycling Plan* and Handbook AS-552, *Pollution Prevention Guide.*

Note: AASCs will be notified prior to implementing any disposal activity. Refer to Management Instruction EL-890-2007-5, *Integrated Waste Management Instruction.*

6-4.6.2.5 Transfers to Federal Agencies (Including Military)

6-4.6.2.5.1 Federal Agencies

Material may be transferred to other federal agencies with or without reimbursement, depending on whether the material has value to the Postal Service. Items may be transferred with the approval of the installation head/designee without cost to the Postal Service. The installation head or owning organization should contact the supporting AASC. The AASC will work with the USPS National Utilization Officer (NUO) to coordinate the transfer.

6-4.6.2.5.2 Military Organizations Army Post Offices/Fleet Post Offices/Diplomatic Post Offices (APOs/FPOs/DPOs)

When USPS capital items in use by APOs/FPOs/DPOs have reached their fully depreciated value, the accountable postal organization will transfer them permanently to the holding military organization. The MAO at the owning finance number initiates the disposal workflow in SEAM to retire the asset. The retirement is documented once the workflow has been completed.

6-4.6.2.6 Donation to a Federal or State Agency, Academic Institution, Nonprofit Organization, or a Public Body

The facility installation head/designee must obtain a written request, signed by an officer of the qualifying agency, which includes the agency's tax-exempt identification number and telephone number. Upon receipt of the written request, the installation head/designee will prepare and process PS Form 969 (noncapital items) and attach the documentation to the form. For capital items, follow the same process except that the MAO initiates the disposal workflow in SEAM in lieu of using PS Form 969. The installation head/designee notifies the requesting agency the material is ready for pickup or shipping. The requesting entity should pay packing and shipping costs. The installation head/designee must obtain a signature for receipt of the material, (e.g., on the original written request).

6-4.6.2.7 Destruction and Landfill Disposal

6-4.6.2.7.1 Procedure

A variety of federal and state requirements set standards for municipal landfills. Postal Service employees must use existing methods to collect and transfer materials to landfills in accordance with Handbook AS-550A, *Paper and Paperboard Recycling Guide,* Handbook AS-550B, *Paper and Paperboard Recycling Plan,* and Handbook AS-552, *Pollution Prevention Guide.* Each facility must build a recycling team, conduct a waste stream assessment, select the best recycling methods, and understand and publicize to all employees the principles of collection, storage, and transfer.

6-4.6.2.7.2 Costs

Reasonable removal costs that are within local purchasing authority may be incurred and should be charged to the account covering trash removal.

6-4.6.2.8 Adjustments: Loss, Theft, and Accidental Damage or Destruction

6-4.6.2.8.1 Loss and Theft

Employees must report all lost or stolen material through their immediate supervisor or manager to the installation head. The installation head will determine whether the quantity and value of lost or stolen items also warrants submission of an explanatory memorandum to the local inspector-in-charge. For capital property, the MAO initiates the disposal workflow in SEAM, indicating in the reason code that the retirement is due to loss or theft.

6-4.6.2.8.2 Accidental Damage or Destruction

If capital or sensitive equipment is damaged to the point it is non-reparable, it must be disposed of according to procedures outlined in this chapter. The MAO then initiates the disposal workflow in SEAM.