

SEP 13 2021

LABOR RELATIONS



September 8, 2021

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

Certified Mail Tracking Number
7019 2280 0001 6260 7012

Dear Brian,

As a matter of general interest, the Postal Service will conduct a pilot test concerning the use of business and payroll checks to purchase gift cards. Specifically, for a nominal fee, customers will be able to utilize business and payroll checks to purchase gift cards in amounts of up to \$500 per day.

The subject pilot test will commence on September 13 at the following locations and is expected to last through March 2022:

- Baychester, 1525 East Gun Hill Road, Bronx, NY 10569;
- Baileys Crossroads, 6021 Leesburg Pike, Falls Church, VA 22041;
- National Capitol, 2 Massachusetts Avenue NE, Washington, DC 20002;
and
- Baltimore, 900 East Fayette Street, Room 118, Baltimore, MD 21233.

Enclosed is a PowerPoint presentation titled, *Alternate Financial Services – Gift Cards as Payment for Payroll and Business Checks*, which will be used on September 8, 9, and 10, to train retail clerks at the above locations regarding this feature.

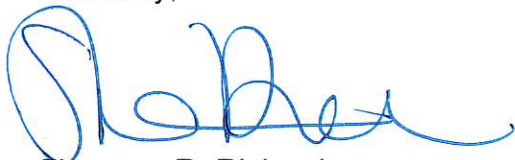
Also enclosed are the following:

- Frequently Asked Questions (FAQs) document titled, *New Gift Card Payment Types: Business and Payroll Checks*;
- Retail Service Talk titled, *New Gift Card Payment Types: Business and Payroll Checks*; and

- Standard Work Instruction (SWI) titled, *New Gift Card Payment Types: Business and Payroll Checks*.

Please contact Mike Faber at 215-432-0613 if you have any questions concerning this matter.

Sincerely,

A handwritten signature in blue ink, appearing to read 'Shannon R. Richardson', with a large initial 'S' and a stylized 'R'.

Shannon R. Richardson
Director
Contract Administration (APWU)

Enclosures

New Gift Card Payment Types: Business & Payroll Checks Frequently Asked Questions (FAQs)

Q1: Which offices are authorized to pilot the new gift card payment types?

- A. The offices listed below are authorized to accept payroll or business checks as payment for gift cards during the pilot period, which will begin on September 13, 2021, and last through March 2022.

Facility Name	Address	City	State	Facility ZIP	Facility ID
BAYCHESTER	1525 E GUN HILL RD	BRONX	NY	10469	1354260
BAILEYS CROSSROADS	6021 LEESBURG PIKE	FALLS CHURCH	VA	22041	1437256
NATIONAL CAPITOL	2 MASSACHUSETTS AVE NE	WASHINGTON	DC	20002	1374453
BALTIMORE	900 E FAYETTE ST RM 118	BALTIMORE	MD	21233	1434368

Q2: I work in an office different than the offices listed above, may I begin accepting business or payroll checks from my customers as payment for gift cards?

- A. **No**, only offices listed above may accept business or payroll checks for gift cards during the pilot period. All other offices must not accept checks as a payment method for gift cards at retail.

Q3: I work in one of the offices listed above. A customer brings a personal check to the retail window and attempts to use it to purchase a gift card. What should I do?

- A. Inform the customer that only business or payroll checks can be used for gift card purchase and do not process the transaction. Do not accept a personal check as a payment method for gift cards.

Q4: A customer visits my retail window in one of the offices listed above with a business or payroll check for more than \$500. What should I do?

- A. The check and gift card limit per customer per day is \$500 and the Postal Service is unable to accept business or payroll checks worth more than \$500. Inform the customer that you are unable to proceed with the transaction.

Q5: May a customer visit our retail office with a business or payroll check that has already been signed (endorsed) on the back before they visit?

- A. The Postal Service cannot accept business / payroll checks that have already been endorsed. Retail acceptance clerks must validate the customer's identity and witness signature during the customer's retail visit.

Q6: Will there be any changes to the Retail System Software (RSS) at the Full Window Service (FWS)?

- A. Yes, beginning on Friday, September 10, 2021, the workflow will begin showing the "Check" option as an active payment type for gift card sales. Retail clerks in locations listed above may begin using this option on Monday, September 13, 2021.

Q7: What if a customer visits the retail window with a business or payroll check within the \$500 limit, and requests the check be used to pay for stamps, ready post products, cash back or a money order?

- A. Advise the customer that they may only utilize business or payroll checks as payment for gift cards.



Retail Service Talk

August 24, 2021

New Gift Card Payment Types: Business & Payroll Checks

The Postal Service will pilot test new Gift Card Payment types in 4 retail locations. Beginning September 13, 2021 through March 2022, retail associates will be able to accept Business and Payroll checks for payment of Gift Cards.

Offering this service provides customers an alternative to the traditional check cashing at a bank. Customers can purchase a single use Gift Card up to \$500 and use their business or payroll check as payment.

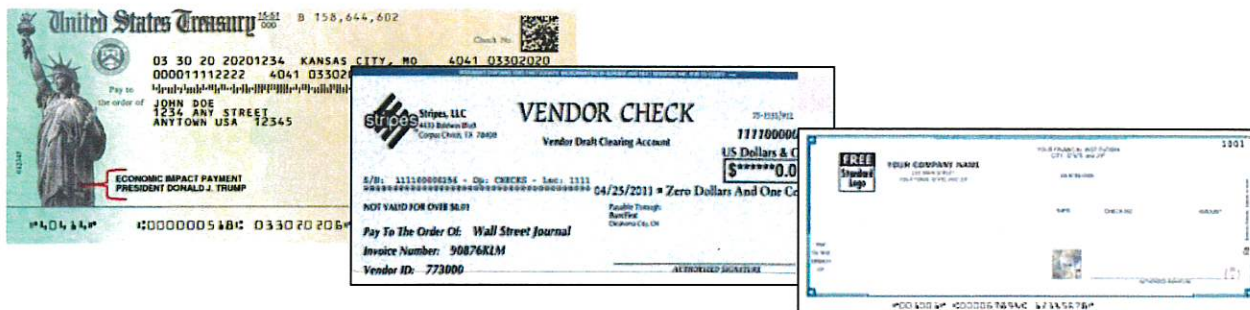
The locations offering this service are:

Facility Name	Address	City	State	Facility ZIP	Facility ID
BAYCHESTER	1525 E GUN HILL RD	BRONX	NY	10469	1354260
BAILEYS CROSSROADS	6021 LEESBURG PIKE	FALLS CHURCH	VA	22041	1437256
NATIONAL CAPITOL	2 MASSACHUSETTS AVE NE	WASHINGTON	DC	20002	1374453
BALTIMORE	900 E FAYETTE ST RM 118	BALTIMORE	MD	21233	1434368

Check acceptance Criteria:

- Accept Business or Payroll Checks
 - Must be made out to the customer
 - Checks must be signed in front of the clerk
 - No Cash will be Disbursed
 - Gift Card Fee may be paid separately or taken out of the Check
 - Total amount loaded on the Gift Card must not exceed \$500/day
- Cannot Accept:
 - Personal Check or business check made out to Postmaster
 - Check that are pre-signed or endorsed in the back
 - Business or Payroll check for more than \$500

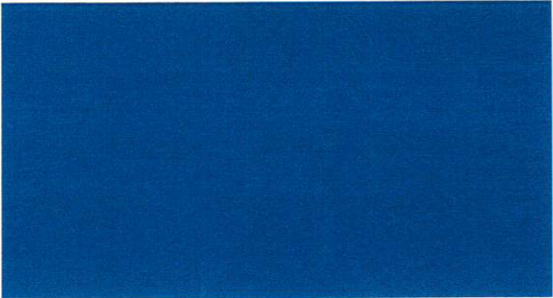
For detailed information, please see the attached Standard Work Instruction and FAQs.



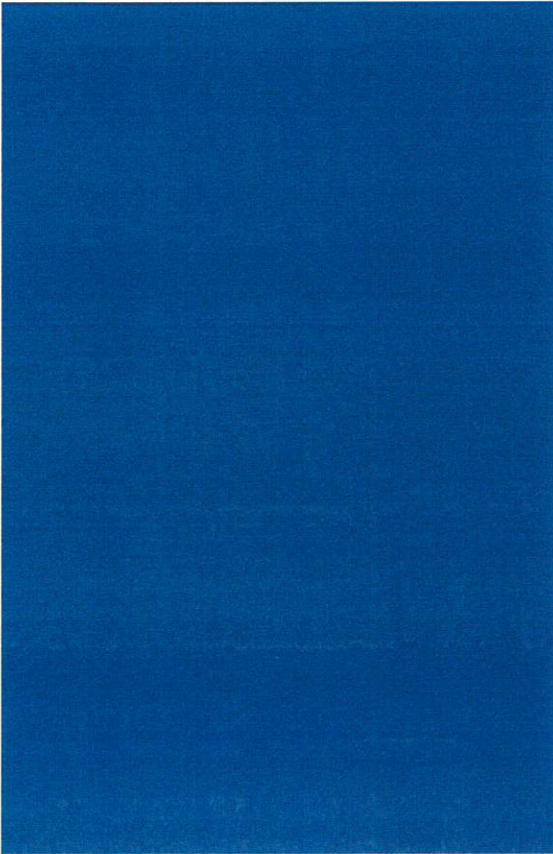
If you have any questions, please contact Max Raizada at max.x.raizada@usps.gov

Alternate Financial Services – Gift Cards as Payment for Payroll or Business Checks

September 8-10, 2021



WELCOME



Gift Cards as Payment for Payroll or Business Checks

Pilot Training – September 8 - 10, 2021
Pilot Start Date – Monday, September 13, 2021

Facility Name	Address	City	State	Facility ZIP	Facility ID
BAYCHESTER	1525 E GUN HILL RD	BRONX	NY	10469	1354260
BAILEYS CROSSROADS	6021 LEESBURG PIKE	FALLS CHURCH	VA	22041	1437256
NATIONAL CAPITOL	2 MASSACHUSETTS AVE NE	WASHINGTON	DC	20002	1374453
BALTIMORE	900 E FAYETTE ST RM 118	BALTIMORE	MD	21233	1434368

The Postal Service will pilot test new Gift Card Payment types in 4 retail locations. Beginning September 13, 2021, through March 2022, retail associates will be able to accept Business and Payroll checks for payment of Gift Cards. Offering this service provides customers an alternative to the traditional check cashing at a bank. Customers can purchase a single use Gift Card up to \$500 and use their business or payroll check as payment.



Check Acceptance Criteria

Accept Business or Payroll Checks

- ✓ Must be made out to the customer
- ✓ Checks must be signed in front of the clerk
- ✓ No cash will be disbursed
- ✓ Gift Card Fee may be paid separately or taken out of the Check
- ✓ Total amount loaded on the Gift Card must not exceed \$500 per day

CANNOT Accept

- ✗ Business or Payroll check made out to the Postmaster
- ✗ Checks that are pre-signed or endorsed on the back
- ✗ Business or Payroll check indicating an amount for more than \$500

BSA Reminder – No change to 8105 – B compliance

- Altering the BSA forms is not permitted. Altering the forms puts the Postal Service at risk of being non-compliant with the Bank Secrecy Act and such alterations could be illegal.
- Retail associates must complete PS Form 8105-B, Suspicious Transaction Report (STR), for any transaction considered by the retail associate to be suspicious. All POS offices must complete these forms online through a new Point of Sale (POS)/Bank Secrecy Act (BSA) interface. Non-POS offices will continue to complete and submit the manual forms and follow all current procedures.
- Manual 8105-B forms must be submitted to the address on the forms. Sending the forms to any other location does not meet the mandates of the Act and puts the Postal Service at risk of being found non-compliant. POS offices should submit the forms online via the POS system unless the retail associate receives an error message during submission of the form that instructs the sender to submit the forms manually.

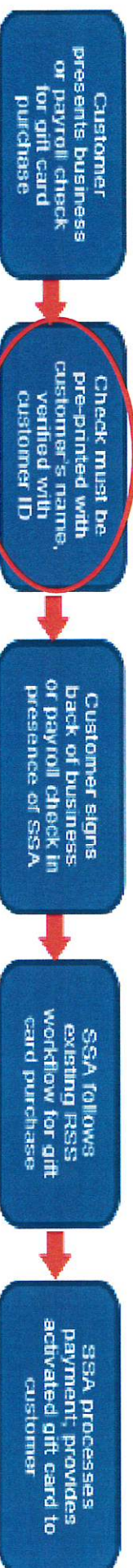
Standard Work Instructions



Important Steps	Key Points	Reasons for Key Points
1. Customer presents business or payroll check for gift card purchase 2. Validate form of payment is a qualifying type: Business Check (NEW) Payroll Check (NEW) Cash Debit Card Traveler's Check Money Order	• Inspect the check for the following: • Must be printed with customer's name • No handwritten checks • Date must be current - Never post-dated. • Checks must NOT be for more than \$500	Fraud control: To ensure that the check is a business or a payroll check



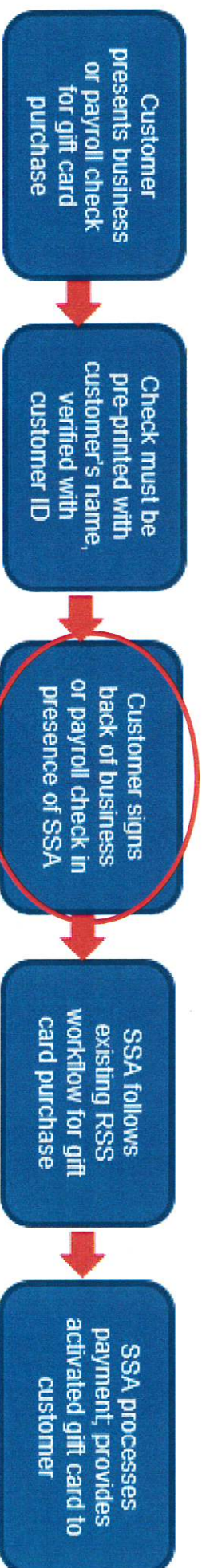
Standard Work Instructions



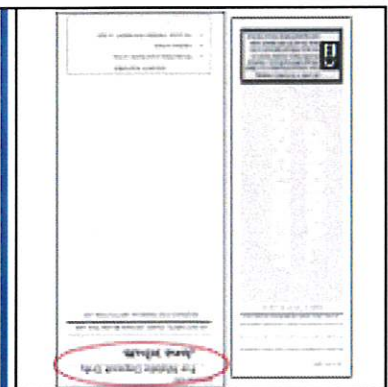
Important Steps	Key Points	Reasons for Key Points
1. Check must be pre-printed with customer's name, and verified with valid government-issued acceptable customer ID as shown in F101 excerpt below: F101.9.3.2: All checks accepted at field units must be presented with a valid (nonexpired), photo-bearing identification that also contains the customer's (presenter's) signature. The valid, photo-bearing identification must be one of the following: a. State-issued driver's license. b. State-issued, nondriver identification. c. Passport (foreign or domestic). d. U.S. military identification. e. Other U.S. government-issued identification that shows the customer's picture and signature.	• SSA verifies business or payroll check is preprinted and "Pay to Order" or line of check shows customer's name • SSA checks acceptable form of ID matches customer name on check	Fraud control: To ensure that business / payroll check belongs to the customer



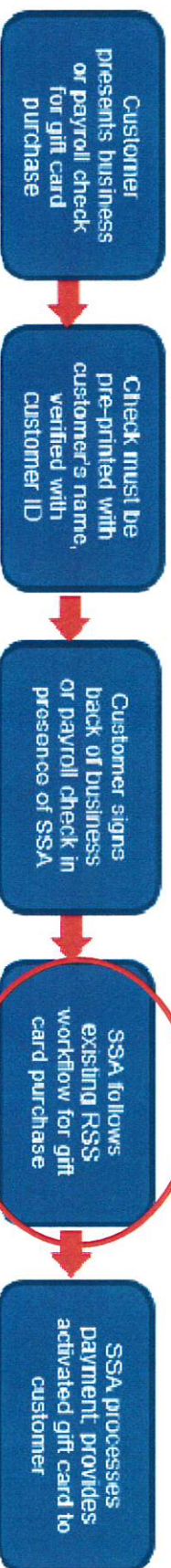
Standard Work Instructions



Important Steps	Key Points	Reasons for Key Points
1. SSA inspects the back of the business/payroll check to ensure it has not been signed 2. Customer signs back of business or payroll check in presence of SSA 3. If the business/payroll check was signed prior to customer visit, SSA should not accept the check	• The customer should sign their name in the presence of the SSA • If business/payroll check already has a signature on the back, SSA should not accept the check • SSA communicates to customer that we cannot accept a business or payroll check that was already signed.	Fraud control: The business / payroll check may have already been cashed or deposited



Standard Work Instructions

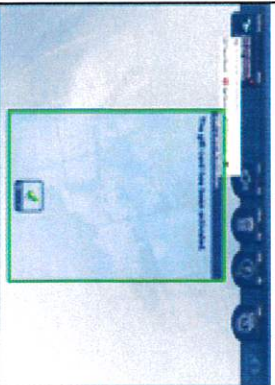


Important Steps	Key Points	Reasons for Key Points
1. SSA scans the barcode of the variable denomination gift card from the RSS home screen 2. Apply the business/payroll balance to the gift card by selecting correct denomination when prompted by RSS	• Deduct the appropriate gift card activation fee from the total gift card amount when entering in RSS • Inform the customer the gift card must be for check amount minus activation fee.	The activation fee may be paid separately or deducted from the business/payroll check
1. Take payment - In RSS, use the "checks" icon as payment RSS will prompt SSA to "Imprint the Check". SSA should select "No" in response. 2. RSS will prompt SSA to "Verify Endorsement" using existing RSS workflow	• Enter the full check amount as payment for the Gift Card transaction. • Ensure the credit balance is zero in RSS	Do not accept a check for more than \$500 per customer. Credit will show up on the right of the screen

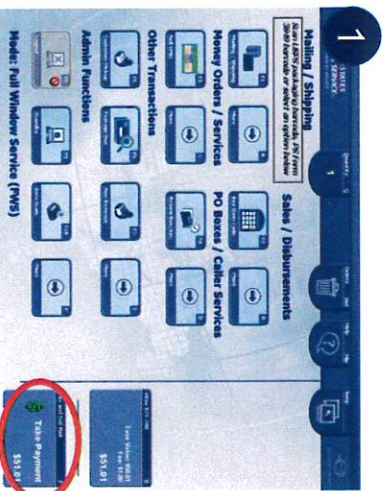
Standard Work Instructions



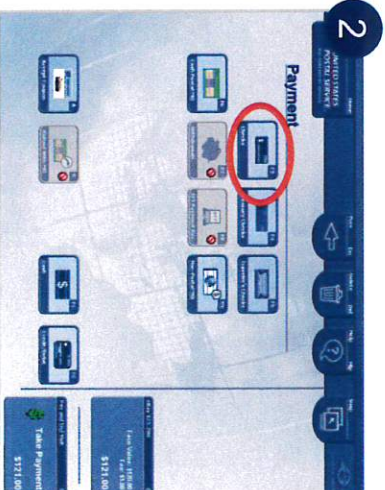
Important Steps	Key Points	Reasons for Key Points
1. Activate – after the payment is processed, RSS will attempt to activate the gift card purchased 2. Confirm – a message will display on the terminal that the transaction was completed 3. Validate that the card was activated, and the gift card activation receipt was printed	• SSA should only hand the gift card to the customer AFTER they confirm the gift card was successfully activated • Note: If an activation error occurs, you must immediately post void the gift card. Please review the RSS procedure guide for detailed instructions. • Once a gift card is successfully activated, it cannot be returned for a credit or refund.	CRITICAL: SSA's should attempt to prevent multiple business / payroll checks for more than \$500 per day per customer



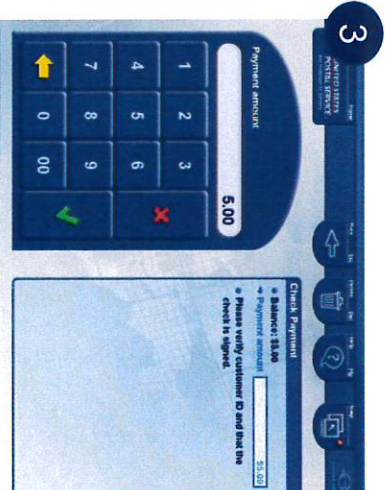
Full-Service Window Walkthrough: Completing A Transaction



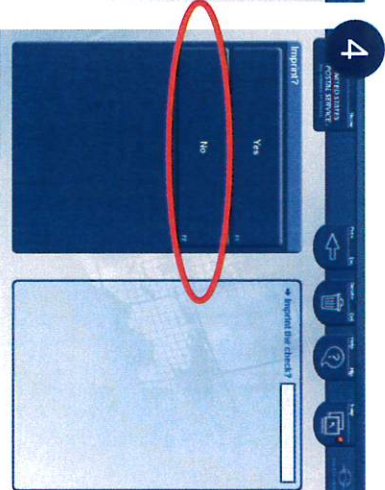
1 Scan barcode on the gift card and enter face value if prompted



2 Validate business or payroll check



3 Ensure customer's ID matches name preprinted on face of check



4 There will be no need to Imprint check since it is preprinted



5 Insert the check into the receipt printer



6 Verify the check endorsement was printed correctly

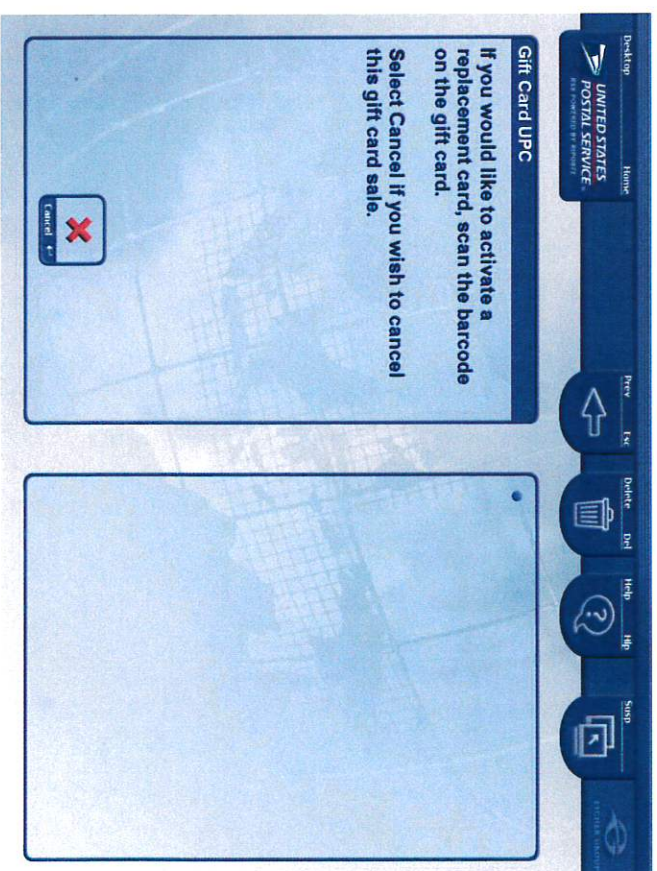
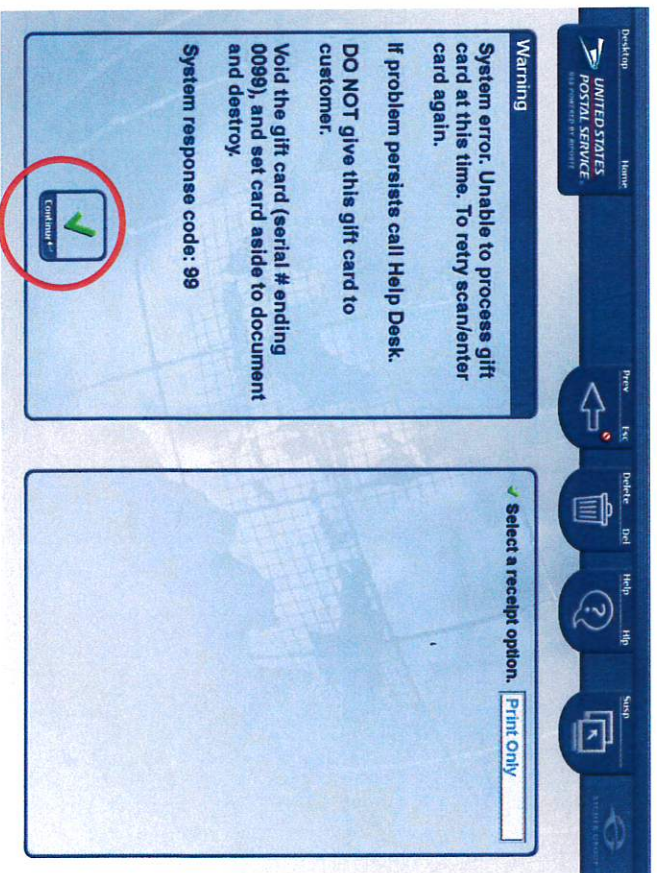


7 Customer is prompted to select receipt type



8 Press "Cancel" to select receipt option for the customer

Full-Service Window Walkthrough: If System Does Not Activate Gift Card



Frequently Asked Questions (FAQs)

Q1: Which offices are authorized to pilot the new gift card payment types?

A. The offices listed below are authorized to accept payroll or business checks as payment for gift cards during the pilot period, which will begin on September 13, 2021, and last through March 2022.

Facility Name	Address	City	State	Facility ZIP	Facility ID
BAYCHESTER	1525 E GUN HILL RD.	BRONX	NY	10469	1354280
BAILEY'S CROSSROADS	6021 LEESBURG PIKE	FALLS CHURCH	VA	22041	1437256
NATIONAL CAPITOL	2 MASSACHUSETTS AVE NE	WASHINGTON	DC	20002	1374453
BALTIMORE	900 E FAYETTE ST RM 118	BALTIMORE	MD	21233	1434368

Q2: I work in an office different than the offices listed above, may I begin accepting business or payroll checks from my customers as payment for gift cards?

A. No, only offices listed above may accept business or payroll checks for gift cards during the pilot period. All other offices must not accept checks as a payment method for gift cards at retail.

Q3: I work in one of the offices listed above. A customer brings a personal check to the retail window and attempts to use it to purchase a gift card. What should I do?

A. Inform the customer that only business or payroll checks can be used for gift card purchase and do not process the transaction. Do not accept a personal check as a payment method for gift cards.

Q4: A customer visits my retail window in one of the offices listed above with a business or payroll check for more than \$500. What should I do?

A. The check and gift card limit per customer per day is \$500 and the Postal Service is unable to accept business or payroll checks worth more than \$500. Inform the customer that you are unable to proceed with the transaction.

Q5: May a customer visit our retail office with a business or payroll check that has already been signed (endorsed) on the back before they visit?

A. The Postal Service cannot accept business / payroll checks that have already been endorsed. Retail acceptance clerks must validate the customer's identity and witness signature during the customer's retail visit.

Q6: Will there be any changes to the Retail System Software (RSS) at the Full Window Service (FWS)?

A. Yes, beginning on Friday, September 10, 2021, the workflow will begin showing the "Check" option as an active payment type for gift card sales. Retail clerks in locations listed above may begin using this option on Monday, September 13, 2021.

Q7: What if a customer visits the retail window with a business or payroll check within the \$500 limit, and requests the check be used to pay for stamps, ready post products, cash back or a money order?

A. Advise the customer that they may only utilize business or payroll checks as payment for gift cards.

Q8: At this time, gift cards can only be sold in full dollar amounts. What if a customer is due change less than \$1 after their gift card purchase?

A. The customer should not be due any change. The variable gift cards can be loaded with any amount between the minimum and maximum amount printed on the gift card. This will include the cents after the RSS software change scheduled for Friday, September 10.

Q9: What if a customer visits my retail window with a business or payroll check written out to the Postmaster and requests to use it to purchase a gift card?

A. The Postal Service will be unable to process this transaction, please advise the customer of other purchase options.

Q10: Can a customer attempt to use a handwritten business or payroll check to purchase gift cards?

A. All business or payroll checks to be used for gift card purchases must be pre-printed, you should inform the customer of alternate purchase options.

Q11: What if a customer purchases a gift card for less than \$500 and requests cash back?

A. Customers may not get cash back when using a business or payroll check as payment.

Q12: How does the activation fee affect the amount of the gift card?

A. The customer may either pay for the activation fee with a different form of payment, or request activation fee be deducted from the amount of the payroll / business check.

EXAMPLE: A customer has a payroll check for \$500. The activation fee for the variable gift card is \$5.95. The customer has two options:

OPTION 1: Customer may pay \$5.95 in addition to the payroll check for \$500 and receive a gift card for \$500.

OPTION 2: Customer may deduct the \$5.95 fee from the payroll check and receive a gift card for \$494.05.

Q13: What if a customer requests two different variable amount gift cards in exchange for their business/payroll check?

A. They may split the payments on to multiple gift cards, as long as they are willing to pay for the activation fee for each card.

Q14: I work in a retail office NOT listed as one of the pilot sites. I accidentally selected the "check" option as payment for a customer's gift card purchase. What do I do?

A. Before the transaction is finalized, RA should select another payment type in RSS.

Gift Cards for Payroll or Business Checks

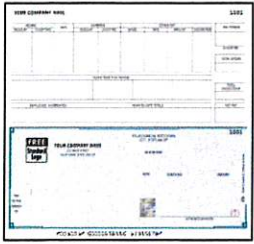
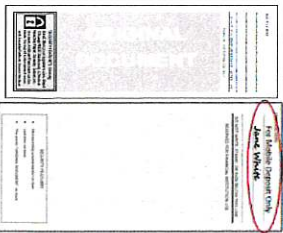
Expectations

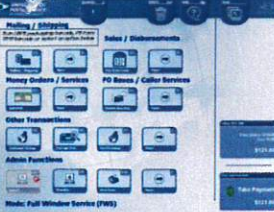
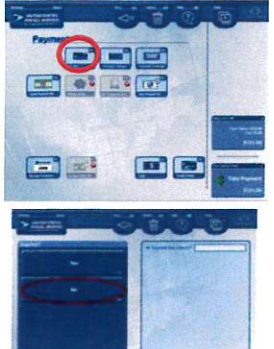
- Share Retail Service Talk, Standard Work, and FAQs with all retail team members BEFORE Mon, Sep 13, 2021.
- Ensure all personnel who work with retail customers are aware of new processes, with confirmation to Christiana.m.forbis@usps.gov when all training has been completed for your office.
- Contact Max Raizada with questions or feedback regarding this pilot at max.x.raizada@usps.gov



Standard Work Instructions: New Gift Card Payment Types: Business & Payroll Checks



	Important Steps	Key Points	Reasons for Key Points
	- Customer presents business or payroll check for gift card purchase - Validate form of payment is a qualifying type: Business Check (NEW) Payroll Check (NEW) Cash Debit Card Traveler's Check Money Order	- Inspect the check for the following: - Must be printed with customer's name - No handwritten checks - Date must be current - Never post-dated. - Checks must NOT be for more than \$500	Fraud control: To ensure that the check is a business or a payroll check
	- Check must be pre-printed with customer's name, and verified with valid government-issued acceptable customer ID as shown in F101 excerpt below F101.9.3.2: All checks accepted at field units must be presented with a valid (nonexpired), photo-bearing identification that also contains the customer's (presenter's) signature. The valid, photo-bearing identification must be one of the following: - State-issued driver's license. - State-issued, nondriver identification. - Passport (foreign or domestic). - U.S. military identification. - Other U.S. government-issued identification that shows the customer's picture and signature.	- SSA verifies business or payroll check is preprinted and "Pay to Order of" line of check shows customer's name - SSA checks acceptable form of ID matches customer name on check	Fraud control: To ensure that business / payroll check belongs to the customer
	- SSA inspects the back of the business/payroll check to ensure it has not been signed - Customer signs back of business or payroll check in presence of SSA - If the business/payroll check was signed prior to customer visit; SSA should not accept the check	- The customer should sign their name in the presence of the SSA - If business/payroll check already has a signature on the back, SSA should not accept the check - SSA communicates to customer that we cannot accept a business or payroll check that was already signed.	Fraud control: The business / payroll check may have already been cashed or deposited

	1. SSA scans the barcode of the variable denomination gift card from the RSS home screen 2. Apply the business/payroll balance to the gift card by selecting correct denomination when prompted by RSS	• Deduct the appropriate gift card activation fee from the total gift card amount when entering in RSS • Inform the customer the gift card must be for check amount minus activation fee.	The activation fee may be paid separately or deducted from the business/payroll check
	1. Take payment - In RSS, use the "checks" icon as payment RSS will prompt SSA to "Imprint the Check". SSA should select "No" in response. 2. RSS will prompt SSA to "Verify Endorsement" using existing RSS workflow	• Enter the full check amount as payment for the Gift Card transaction. • Ensure the credit balance is zero in RSS	Do not accept a check for more than \$500 per customer Credit will show up on the right of the screen
	1. Activate – after the payment is processed, RSS will attempt to activate the gift card purchased 2. Confirm – a message will display on the terminal that the transaction was completed 3. Validate that the card was activated, and the gift card activation receipt was printed	• SSA should only hand the gift card to the customer AFTER they confirm the gift card was successfully activated • Note: If an activation error occurs, you must immediately post void the gift card. Please review the RSS procedure guide for detailed instructions. • Once a gift card is successfully activated, it cannot be returned for a credit or refund.	CRITICAL: SSA's should attempt to prevent multiple business / payroll checks for more than \$500 per day per customer