

6 Employee Relations

610 Employee Services

611 Scope

Service programs help employees understand their jobs better and eliminate many distractions caused by personal job-related problems. Employees are encouraged to ask supervisors or officials for advice or assistance on important matters even if unrelated to business. The Senior Assistant Postmaster General, Human Resources Group (SAPMG/HR), must approve employee services not listed in this subchapter.

612 Information Media

612.1 Responsibility

Supervisors inform their employees on all official matters affecting them through printed material or bulletin boards.

612.2 Methods

612.21 Official Directives

Subject manuals are the basic source documents outlining USPS operational policies. Postal Bulletins, Management Instructions, Headquarters Circulars, Handbooks, etc., instruct, explain, or detail the implementation of a specific policy or regulation.

612.22 Unofficial Communications

Newsletters, memos, etc., are communications used for information only.

612.23 Bulletin Boards

612.231 Bulletin boards serve as a means of providing to employees information of interest, such as that required by law or regulation, official management information, and items of general interest. Bulletin boards are to be placed in sufficient numbers and in locations convenient to employees — at or near employee entrances, lunchrooms, locker rooms, or elsewhere in the work

area. It is useful to separate board space into broad categories for different types of material such as:

- a. *Required by Law or Regulation.* Material which tends to be permanent:
 - (1) Local fire emergency plan.
 - (2) Occupational Safety and Health Act — OSHA Poster 2219.
 - (3) Office of Workers' Compensation Programs (OWCP).
 - (4) Unemployment Compensation Protection for Federal Employees.
 - (5) Equal Employment Opportunity (EEO).
- b. *Official Management Use.* Date each item and remove outdated material:
 - (1) Notice of job opportunities.
 - (2) Benefit plans.
 - (3) Events affecting working conditions.
 - (4) Changes in work schedules.
 - (5) Changes in wage rates.
- c. *General Interest.* This material includes notices about:
 - (1) Lost and found items.
 - (2) Social and recreational events.
 - (3) Blood donor programs.
 - (4) Food price changes.
 - (5) Public transportation schedules.
 - (6) Meetings.
 - (7) Combined federal campaign.
 - (8) Parking regulations.
 - (9) Housing.

612.232 Only suitable material should be posted on bulletin boards. It is the responsibility of the installation head to ensure the appropriate use of bulletin boards. In addition to providing bulletin board space for management use, the installation head will provide bulletin board space for union use consistent with the terms of the applicable collective-bargaining agreement.

612.24 **Employee Lockers**

- 612.241 Use Form 4943, Locker Record, to assign employee lockers. Employees are required to sign the form to acknowledge that use of the locker by other persons or exchanging lockers without authority of the issuing office is prohibited. Employee lockers are for official use only and must be kept clean and presentable. The use of personal locks is not permitted.
- 612.242 Employee lockers are subject to inspection by authorized personnel. Provisions governing locker inspections are provided in applicable collective-bargaining agreements.
- 612.243 Upon separation or transfer, employees must return their locker key to the appropriate facility official.

613 **Credit Unions**

613.1 **Authority**

Employee credit unions in the Postal Service, as in all federal departments or agencies, are chartered according to the *Federal Credit Union Act* (12 U.S.C. 1753/1754). That Act gives the power to direct and control the Federal Employees Credit Union Program to the
NATIONAL CREDIT UNION ADMINISTRATION
1776 G ST NW
WASHINGTON DC 20456-0001,

an independent agency in the executive branch of the government. Credit unions may also be chartered under state laws and are generally supervised by the banking department of the state involved.

613.2 **Space Allowance**

The Postal Service authorizes, if available, a suitable location (other than workroom floor space) for credit unions in postal buildings. If the area is accessible through the workroom *only*, membership in the credit union is restricted to USPS employees (active and retired). Other federal employees in the same building may not join unless the credit union is situated so that it is unnecessary to enter the postal workroom. Credit union business cannot be conducted from any post office service window.

613.3 **Employees With Credit Union Duties**

Postal personnel who are employees, officers, officials, or board members of employee credit unions are not entitled to USPS compensation for credit union duties. They have the option of annual leave or leave without pay (up to 8 hours daily) to perform credit union activities — provided they can be spared from their regular duties.

614 **Food Services**

614.1 **Policy**

USPS provides food services, including snacks and beverages, that cannot be conveniently obtained at reasonable prices from commercial sources and that are required for the health, comfort, or efficiency of postal employees while on duty. The Randolph-Sheppard Act, 1974, dealing with the operation of vending facilities by a blind vendor, applies to the Postal Service.

614.2 **Operation**

614.21 **Responsibility**

Food service facilities in central lunchrooms and in satellite work areas — manual, vended, or a combination — are under the control of the installation head. This responsibility may not be delegated to any employee committee.

614.22 **Management**

Employees should expend only minimal time and effort in food management. Therefore, these operations are contracted out to professional in-plant food management firms and concessionaires, including qualified food service operations established by state licensing agencies for the blind.

614.3 **Types**

As conditions warrant, an installation may have three distinct types of food service operations. Subject to the provisions of the Randolph-Sheppard Act, as amended in 1974, priority consideration is given to the state agency for the blind for the operation of any of the following food services:

- a. *Central Lunchroom/Cafeteria.* An employee lunchroom/cafeteria, either manual or vended, may be established to provide necessary food service to an installation's employees. Cafeterias are contracted for on a *break-even* basis to provide wholesome food at the lowest practical cost.
- b. *Vending in Work Areas.* Vending machines with snacks, beverages, tobacco products, etc. may be installed at or near employee workstations.
- c. *Blind Vending Facility.* Food service and vending stands are established in postal facilities through arrangements with state licensing agencies for the blind. Every effort is made to cooperate with state licensing agencies to implement this program. As opportunities arise, postal officials notify state agencies of additional vending facilities to be operated by the blind under the Randolph-Sheppard Act.

614.4 **Funds**

Disposition of funds depends on the source:

- a. *From Central Lunchroom/Cafeteria.* The Postal Service will neither profit from nor subsidize the operation of a central lunchroom/cafeteria. After deducting 1 1/2 percent of gross sales for reimbursement of utilities, any funds generated from operating a central lunchroom/cafeteria are redistributed to lunchroom patrons through reduced food costs for items sold or vended. These funds are not turned over to the employee social and recreational committee.
- b. *From Work Area Vending.* After deducting 1 and 1/2 percent of gross sales for reimbursement of utilities, the income from vending machines in employee work areas is first shared with the state agency for the blind (Randolph-Sheppard Act). The remaining income is assigned to programs devised by the employee social and recreational committee.

615 **Social and Recreational Program**

615.1 **Policy**

Management encourages employee social and recreational programs. These programs help ensure the mental and physical well-being of personnel and assist in recruiting and retaining employees.

615.2 **Discrimination**

Discrimination based on race, color, religion, sex, national origin, union affiliation, or age is prohibited. No employee social and recreational committee is authorized if there is membership discrimination.

615.3 **Committees**

615.31 **Membership**

The installation head organizes and chairs the committee. To ensure that all employees are fairly represented, the balance of the committee includes a representative from each craft designated by the unions representing respective crafts, and a member from supervision designated by the organization representing the supervisory employees.

615.32 **Requirements**

615.321 An employee social and recreational committee must be established in each installation where employees receive income from vending machines or other enterprises.

615.322 This committee may not have management responsibilities for such vending operations.

615.323 Members of the employee social and recreational committee must be permitted by the head of the activity to attend committee meetings called by the chairman. They must also be permitted to perform duties relating to functions of the committee while on the clock, subject at all times to the needs of the service.

615.33 **Responsibilities**

The employee social and recreational committee represents all employees in the installation. It is responsible for administering social and recreational funds and administering programs for the benefit of all employees in the installation. The committee is specifically responsible for:

- a. Receiving, safeguarding, disbursing, and accounting for employee social and recreational funds.
- b. Developing and publicizing well-rounded social and recreational programs that will contribute to the benefit of all employees. No single individual, group, or organization may be permitted to:
 - (1) Attach its name as a sponsor of an activity or event financed and sponsored by the social and recreational fund.

- (2) Use such events in any way for the furtherance of its organization objectives.
- c. Expending employee social and recreational funds for the social and recreational activities of all employees. No monies will accrue to the benefit of a single group, organization, or individual.
- d. Publishing annually the financial status of the employee social and recreational fund for the information of all employees.
- e. Advising the food service officer about the manner in which the vending operation in work areas is meeting employee needs and about pricing policies that should be established on vended items.

615.34 **Constitution**

Employee social and recreational committees must operate within the framework of a constitution prepared by the committee and approved by the installation head. (See Exhibit 615.34.) The committee may modify the sample format to meet local conditions; however, the constitution must require that:

- a. The committee operations comply with applicable Postal Service rules and regulations.
- b. The expenditure of funds of the social and recreational committee must be by a three-fourths vote.
- c. The accounting and auditing of all funds must be as prescribed in these instructions.

615.35 **Bylaws**

Employee social and recreational committees must operate under bylaws prepared by the committee and approved by the installation head. (See Exhibit 615.35 for a sample of bylaws.)

615.4 **Employee Social and Recreational Fund**

615.41 **Purpose**

The fund provides a financial basis for the support of well-rounded social and recreational programs that benefit all employees of the installation.

615.42 **Source of Funds**

- 615.421 Sale of nonalcoholic beverages, candy, cigarettes, and other consumable products by vending machines located in work areas under the following conditions:

- a. Employee committees may not operate vending facilities. (See Handbook EL-602, *Food Service Operation*, for exception.)
- b. The Postal Service will contract for vending services unless operated under permit by the blind.
- c. Vending commissions will be paid directly to the Postal Service.

Exception: Income provided by the Postal Service to a state licensing agency for blind vendors under the Randolph-Sheppard Act.

Exhibit 615.34
Sample Constitution

Article I — Name: Post Office Employee Social and Recreational Committee.

Article II — Purpose: This committee is organized (1) to provide social and recreational activities for the benefit of all postal employees, and (2) to receive such funds as may accrue to the committee and use them advantageously for the purpose and objectives as set forth above. No profits shall accrue to the benefit of any single group, organization, or individual.

Article III — Membership: The installation head shall be chairman of the committee. There shall be a representative of the committee for each craft or occupational group of employees and supervisors. Appointments to the committee shall be in the manner prescribed in Postal Service regulations. With the approval of the committee and the installation head, committee members may be compensated for the service they perform, as such members, outside their normal duty hours.

Article IV — Time and Place: The employee social and recreational committee shall meet regularly, but in any event, no less than once each 6 months. Special meetings may be scheduled by the committee (1) at a regular meeting, (2) when called by the installation head, or (3) when three-fourths of the members petition the chairman, in writing, for such a meeting. A proposed agenda must be submitted with the request. The chairman will set the date of the meeting not later than (number) days after receipt of the request. Members shall be notified of the time, place, and date of the meeting at least (number) days before the meeting. The committee shall meet on official time.

Article V — Officers: The officers of this committee shall be chairman (installation head), secretary, and treasurer. The secretary and the treasurer shall be elected at the first meeting. Their terms shall be for 1 year, and election shall be by a majority of the committee. All vacancies in the office of secretary or treasurer occurring before completion of term of office shall be filled from the committee through an election by the committee and shall run until the end of the predecessor's term.

Article VI — General Duties: The committee shall function in all respects as a normal committee with a majority controlling within the limitations prescribed by this constitution and bylaws. It shall be the duty and obligation of appointed members to accept, and carry out to the best of their ability, any and all duties assigned to them.

Article VII — Motions: Any motion involving expenditure of the committee's funds shall be carried by three-fourths vote. All other motions may be carried by a majority vote. A secret vote may be called by any member of the committee, on any motion, and may not be denied. On oral motions, names of dissenting members of the committee shall not be noted in the minutes unless the dissenters so request. The chairman, or his or her designee, shall vote. This provision does not restrict the authority of the installation head in his or her capacity as installation head.

Article VIII — Subcommittees: The committee may form subcommittees when needed. All subcommittee reports must be considered and approved by the committee before final action can be taken.

Article IX — Amendments: Amendments of this constitution may be proposed in writing by the chairman or by three members of the committee. No action may be taken on proposed amendments until the meeting following the one at which the proposed amendment has been read. A three-fourths vote of the committee is required to amend this constitution. No part of the constitution or its bylaws may conflict with Postal Service regulations. THE FOREGOING CONSTITUTION WAS PRESENTED TO A FULL COMMITTEE ON [__date__] AND WAS ADOPTED ON THAT DAY.

Signature_____

Signature_____

Signature_____

Signature_____

Signature_____

Signature_____

Signature_____

Signature_____

Date_____

Postmaster_____

Exhibit 615.35
Sample Bylaws

1. **Order of Business:** Order of business and conduct of meetings must be in accordance with Roberts' Rules of Order: a. Roll call. b. Reading of minutes of previous meeting. c. Treasurer's report. d. Reports of officers. e. Election of officers (when required). f. Reports of committees or subcommittees. g. Reading of communications. h. Unfinished business. i. New business. j. Adjournment.
2. **Attendance:** Normally attendance at all regular meetings is limited to designated representatives and alternates. Visitors and observers must be approved in advance. It is the duty of all appointed members to attempt to attend all meetings. Members are obligated to notify their alternate representatives that they are unable to attend a meeting so that the alternate may attend. At the first meeting of the new committee, there shall be present also any superseded officers of the previous committee for the purpose of effecting an orderly transition from the old committee to the new one.
3. **Quorum:** Three-fourths of the full committee is required as a quorum for the transaction of business. All expenditures for employee social and recreational activities require a three-fourths vote of the full committee.
4. **Chairperson:** The installation head is the chairperson who either presides at all meetings or designates an official staff member to attend in his or her absence. The chairperson has the powers and duties usually incident to such an office: signing all checks, bank drafts, authorizations, and vouchers of the treasurer as may be ordered by the committee; voting; and having the power to call special meetings whenever it is deemed necessary.
5. **Secretary:** The secretary attends all meetings of the committee, takes minutes of the proceedings, transcribes them in a permanent record, and furnishes a copy of these minutes to each member within (number) days after the meeting. The secretary keeps a record of all recreational and social activities and such other records as may definitely establish and maintain a history of its activities; makes public all appointments to the committee and names of elected officers; and prepares an annual report for the benefit of all postal employees. It shall further be the secretary's obligation to send out such correspondence deemed necessary by the committee. In the treasurer's absence, the secretary must countersign checks and bank drafts with the chairperson.
6. **Treasurer:** The treasurer receives receipts and pays all bills incurred by the committee and makes the necessary deposits by the (date) day of each and every month in such depositories as designated by this committee. The treasurer also keeps a permanent record of all bills and deposits; prepares a written report of the financial condition of the committee, showing the receipts and disbursements, at each meeting of the committee; countersigns, with the chairperson, all checks and bank drafts; and furnishes all financial reports, as required by postal regulations.
7. **Expenditures:** All checks and/or bank drafts must be signed by the chairperson and countersigned by the treasurer or the secretary.
8. **Profits:** Normally, not more than 10% of all profits received during a year may be carried over to the next year.
9. **Compliance with Postal Service Regulations:** The committee must operate under its constitution and these bylaws and in accordance with the law and Postal Service regulations and instructions.
10. **Amendment:** Amendment to these bylaws may be made in the same manner as set forth in the constitution.
11. **Suspension:** These bylaws may be suspended only by unanimous consent of this committee.

615.422 Interest on savings accounts and other investments in U.S. Savings Bonds or other securities.

615.423 Proceeds from the sale to employees of tickets to dinners, picnics, parties, recreational activities, and discount merchandise and travel.

615.43 **Funds Excluded**

Monies received from the following operations are not employee social and recreational funds and are not to be included in the records or reports:

- a. Stands or vending machines operated by blind persons under permit.
- b. Funds from the operation of a cafeteria or lunchroom including income from vending machines located in the operating areas of these eating facilities.
- c. Coffee shared by a group of employees on a nonprofit basis.
- d. Honor systems where the money received covers only the cost of the items available.
- e. Voluntary contributions such as those incident to the death or illness of fellow workers.
- f. Donations of gifts from any source. These are in violation of the Code of Ethical Conduct (see 660) and may not be accepted under any circumstances.
- g. The sponsorship of insurance programs, relief or assistance funds, hardship loans, etc. are prohibited as a Social and Recreational Program activity.
- h. Solicitations to supplement amounts contributed, or made available from the employee social and recreational fund, may not be conducted on on-the-clock time, nor may any amounts collected be included in committee fund records and reports.

615.44 **Safekeeping of Funds**

615.441 The employee social and recreational committee is responsible for the proper safeguarding of employee social and recreational funds. All funds received throughout a postal installation must be turned over to the employee designated to handle such funds. Only one fund may be maintained for each postal installation. Separate funds may not be maintained by stations or branches.

615.442 One committee member should maintain the records with another committee member assigned to handle the funds when the amount of money involved warrants such division of duties.

615.443 When the average balance of a fund is \$100 or more, all funds, except those retained as petty cash, must be deposited in a bank or credit union. Deposits should be made as frequently as necessary consistent with the type and amount of funds received. Pre-numbered checks should be used for disbursements except disbursements for small amounts (less than \$10), which may be made from petty cash.

- 615.444 The employee social and recreational committee decides whether to maintain a bank or credit union account when the balance of the fund averages less than \$100. Funds not deposited in a bank or other savings institution must be given the best protection available so that unauthorized persons do not have access to them. Normally, a safe should be used.

615.45 **Requirements for Banking and Investment of Funds**

- 615.451 Not more than one checking account should be maintained without the approval of the Field Division Controller. Checking accounts must be carried in commercial banks insured by the Federal Deposit Insurance Corporation unless no such insured bank is available locally. Balances in checking accounts (including normal float of outstanding checks) should ordinarily not exceed by any substantial amount the balances required to avoid service charges or 30-day cash expenditures, whichever is larger.
- 615.452 Current funds not required in the checking accounts and all reserve funds must be:
- a. Carried in interest-bearing accounts in federal credit unions or in federally insured banks or savings institutions, if available locally. The balance in any individual bank or institution may not exceed \$100,000.
 - b. Invested in federal government securities registered in the name of the organization and held in a safe deposit box or other secure depository.
- 615.453 Social and recreational funds will be disbursed for the benefit of all employees and should not accumulate over the years.

615.46 **Expenditures of Funds**

615.461 **General**

Employee social and recreational funds are for providing recreational and social activities for the benefit of all postal employees. Expenditures should not be made that will benefit only a single group, organization, or individual.

615.462 **Appropriate Expenditures**

The following are examples of appropriate expenditures that may be made by the employee social and recreational committee. The examples are not all inclusive. There are many other types of expenditures that may properly be made which will be for the benefit of all the employees. Questions relating to the appropriateness of intended expenditures should be referred to the Field Division General Manager/Postmaster.

- a. Gift to the employee or wife of the employee for a new baby. (The same criteria must be used for all employees.)
- b. Retirement gifts for employees. (The same criteria must be used for all employees.)
- c. Expression of sympathy for a death in the immediate family. (The same criteria must be used for all employees.)
- d. An annual party, picnic, or other outing for all employees.
- e. Seasonal and holiday nonsectarian decorations.
- f. Sports programs.

- g. Recreational activities available for all employees.
- h. Scholarships for children of postal employees. (The same criteria must be used for all employees' children.)
- i. Microwave ovens, refrigerators, games, and recreational equipment for the swing room.

615.463 Inappropriate Expenditures

The following are examples of inappropriate expenditures which should not be made by employee social and recreational committees:

- a. Public charities.
- b. Travel and/or expenses of employee organization officials to attend meetings.
- c. Contributions to political campaigns.
- d. Projects which alter or affect working conditions at postal installations.

615.5 Records and Files

615.51 Receipts and Disbursements

615.511 A designated member of the committee at each postal installation maintains a record of all monies received by or disbursed from the fund. This record must be maintained in a bound ledger. As a minimum, this ledger must have the following headings above columns on each page. (See Exhibit 615.511, Sample Ledger):

- a. Date.
- b. Explanation.
- c. Receipts.
- d. Disbursements.
- e. Balance.

615.512 When the number and type of disbursements make it practicable to record each of the different types of disbursements in separate columns, then additional columns may be established, along with a column headed "Total Disbursements."

615.52 Method of Recording

615.521 Use permanent ink for all entries in the ledger. When an error is made before the balance is forwarded to a new page, draw a single line through the incorrect entry, insert the correct entry immediately above, and initial the correction. When an error is discovered on a page for which the balance has been forwarded, record the correction on the next blank line (in the column which will bring the ledger into agreement with cash on hand), and reference the page number and the line being corrected.

615.522 Insert the words balance forwarded as the first entry on each page in the ledger. Record each different transaction on a separate line of the ledger. Do not make an entry when funds are deposited in the bank or credit union because such amounts should have been recorded as a receipt at the time they were received.

Exhibit 615.511
Sample Ledger

Date	Account Title or Explanation of Expenditure	Receipts	Disburse- ments	Balance
1-15-88	Balance Forwarded			4122.33
	Berkley Photo - Payment		323.50	3798.72
	Berkley Photo - Sales	403.62		4202.34
	Sta. A Return - Xmas Decorations	36.93		4239.27
	HARRY HOUSE - RETURN Xmas Decorations	5.79		4245.06
	KINGS DOMINION Sales Dept. Payment for 143 Tickets		929.50	3315.56
	Dividend - Interest FOR 1-1-88	72.48		3388.04
2-26-88	Berkley Photo - Receipts	211.30		3599.34
	Berkley Photo - Payment		145.41	3453.93
4-15-88	Smith Music Co. - Piano Rental		85.00	3440.72
	Berkley Photo - Receipts	138.06		3578.78
	Berkley Photo - Payment		90.18	3488.60
	Dividends - Interest FOR 4-1-88	55.28		3543.88
4-22-88	Hermans Supermarket			
	Picnic Supplies		276.80	3267.08
5-13-88	Smithtown Dept. of Recreation - Grounds Fees		82.00	3185.08
5-20-88	Picnic Supplies Returned	35.00		3220.08

615.523 Fill in each page of the ledger completely except when the end of a reporting period or an audit requires the balance to be recorded before a page is filled. Record balances by drawing a single line under the last daily transaction on a page and enter beneath this line the total of each individual amount column. Subtract the total of all disbursements from the total of the beginning balance and receipts column to determine the balance to be carried forward. The balance must always represent the amount of cash on hand and in the bank or credit union. In the beginning balance and receipts column on the next page, insert as the first entry the amount shown as balance brought forward.

615.53 **Checkbook**

When checks are used for disbursements, complete the stub of each check in ink as it is issued. The member of the employee social and recreational committee authorized to sign checks should not be the same person who receives and deposits funds. Periodically reconcile the check stub balance with the bank statement.

615.54 **Record of Assets**

615.541 Maintain a permanent record of all accountable property, including serial numbers, which is owned by the employee social and recreational committee. This includes assets:

- a. Purchased outright.
- b. Purchased under lease.
- c. Purchased on an installment plan.
- d. Donated.

615.542 For each item show the location, date received, purchase price, amount of periodic payments, and amount still unpaid.

615.55 **Supplies Inventory**

Inventory all supplies on hand by physical count at the end of the fiscal year, or more often if desired. List items under a separate heading for each building where located on date of inventory. Show description of the item, quantity, unit cost, and total cost. Unit cost may be taken from amount on the most recent bill. The chairman of the committee must sign the statement. Retain records of inventories for 2 years from date of inventory.

615.56 **Unpaid Obligations**

List all unpaid bills at the end of the fiscal year or more often if desired. Include all unpaid obligations except those listed in the record of assets. Show the date of the bill, name of vendor, description of purchase, amount due, and date due. The chairman of the committee must sign the listing. Retain for 2 years from date of listing.

615.57 **Files**

The employee social and recreational committee at each postal installation must maintain chronological files of any of the following documents or other similar documents pertaining to the operation of the fund:

- a. Paid invoices showing date paid (attach any delivery tickets to the related invoice).
- b. Bank statements and related paid checks.
- c. Statements from outside vending machine owners covering commissions received by fund or other items.
- d. Supplies inventory and listing of unpaid obligations.
- e. Financial statements, audit reports, and comments by the Field Division Controller.
- f. Constitution and bylaws, agreements, or regulations covering operations, and minutes of committee meetings.

615.6 **Reports**

615.61 **Frequency**

All employee social and recreational committees must prepare statements for each fiscal year, or more frequently if desired, to show the financial condition of the fund. The committee must complete original forms by typewriter or in ink, using carbon for copies. The committee also must maintain files of all original reports for 2 years from the date prepared.

615.62 **Report Format**

A statement of receipts and disbursements must be prepared on Form 3241, *Statement of Receipts and Disbursements (Employee Social and Recreational Funds)*, (Exhibit 615.62). This statement must be signed by the chairman and treasurer of the social and recreational committee. Retain one copy of the prepared form in committee files, post copies on employee bulletin boards, and send the original and one copy to the installation head. The installation head must forward one copy of the form to the Field Division Controller with the audit report prepared as described in 615.7. Headquarters related units must forward one copy to the Department of the Controller, Finance Group.

615.7 **Audits**

615.71 **Frequency**


An annual audit must be made of employee social and recreational committee funds. More frequent audits may be made as circumstances dictate.

615.72 **Who Makes the Audit**

- 615.721 The head of each installation is required to recommend an audit as prescribed in 615.73 when the size and complexity of an operation justifies such action.

Exhibit 615.62 (p. 1)

Form 3241, Statement of Receipt and Disbursements (Employee Social and Recreational Funds)

 Post Office and ZIP + 4		For FY Ended	Read Instructions on Reverse			
		Oct. __, 19 __	Vending Operation	Other Enterprises	Total	
Description						
1. Beginning Cash Balance <i>(Must agree with ending cash balance, prior year)</i>						
Receipts	2. From Vending Commissions					
	3. From Interest or Dividends					
	4. Other <i>(Itemize and describe on reverse)</i>					
	5. Total Receipts <i>(2 + 3 + 4)</i>					
6. Total Beginning Cash Balance and Receipts <i>(1 + 5)</i>						
Disbursements	7. Vending Expenses <i>(Itemize and describe on reverse)</i>					
	8. Total Vending Expenses					
	9. Profit From Vending Operation					
	Employee Benefits	10. Births, Deaths, Wedding Gifts				
		11. Retirements or Separations				
		12. Picnics or Dinners				
		13. Athletics				
		14. Newspaper and Magazine Subscriptions				
		15. Bank Service Charges and Employee Bonding Costs				
		16. Other <i>(Itemize and describe on reverse)</i>				
	17. Total Employee Benefits					
18. Total Disbursements						
19. Ending Cash Balance						
Ending Cash Analysis	20. Cash on Hand					
	21. Cash in Checking Accounts					
	22. Cash in Savings Accounts or Investments					
23. Total Cash <i>(Must agree with line 19)</i>						
24. Total Unpaid Obligations <i>(Bills received by committee not yet paid)</i>						
25. Total Unobligated Funds <i>(19 or 23 - 24)</i>						
Signature of Chairman		Date Signed	Signature of Treasurer		Date Signed	

PS Form **3241**, July 1988

Exhibit 615.62 (p. 2)

Form 3241, Statement of Receipt and Disbursements (Employee Social and Recreational Funds)

Other Receipts	
Description	Amount
Total (Post in item 4) —————▶	

Other Vending Expenses	
Description	Amount
Total (Post in item 7) —————▶	

Other Employee Benefits	
Description	Amount
Total (Post in item 16) —————▶	

Instructions

<p>General</p> <p>All copies must be signed and dated by the chairman and the treasurer of the Employee Committees.</p> <p>Distribute as follows:</p> <p>Original -- Retained by committee;</p> <p>Copy 1 -- To Field Division Controller with Audit Report; at Headquarters to APMG, Department of Controller;</p> <p>Copy 2 -- To installation head, with audit report; and</p> <p>Post a copy on the employee bulletin board.</p> <p>If additional space is required, attach separate sheet and reference by item no.</p> <p>Specific</p> <p>1 Enter ending cash balance from last report.</p> <p>2 Enter in the first column only income from sales or commissions from vending machines.</p>	<p>3 Enter income from interest or dividends in column headed "Other Enterprises."</p> <p>4 Enter income from other enterprises in the second column.</p> <p>5-6 Self-explanatory.</p> <p>7 Show operating expenses ONLY. Enter in the first column expense for items essential to the vending operation in the sale of beverages, food, or commodities.</p> <p>8-9 Self-explanatory.</p> <p>10-16 Enter disbursements for employee benefits by category.</p> <p>17-19 Self-explanatory.</p> <p>20-22 Enter cash items by category. Line 23 should agree with Line 19. If the amount in Line 23 and the amount in Line 19 do not agree, attach an explanation.</p> <p>23-25 Self-explanatory.</p>
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PS Form **3241**, July 1988 (Reverse)

- 615.722 The Field Division Controller will review such recommendations and advise installation heads whether an outside audit should be made and may also require that an audit be made irrespective of any recommendations.
- 615.723 When an outside audit is not made, the installation head will appoint at least three employees as an audit committee. Normally, the audit committee should be made up of postal system auditors or accounting personnel. This committee may not include any employees responsible for receiving, disbursing, or having custody of funds connected with the vending operations. When three employees are not available, the installation head may make the examination.

615.73 **Outside Auditor**

When the Field Division Controller determines that an independent audit is advisable, this audit must be made in accordance with generally accepted auditing standards by independent certified public accountants, or independent licensed public accountants, certified licensed by a regulatory authority of a state or other political subdivision of the United States. If the installation head has a question as to whether public accountants in the area are certified or licensed by a regulatory authority, he or she must write to the Field Division Controller. If public accountants are not licensed or certified, independent audits must be made by certified public accountants.

615.74 **Audit Requirements**

At a minimum, the audit committee's review must:

- a. Determine that the employee social and recreational committee fund is being operated in accordance with prescribed instructions and bylaws.
- b. Review the immediately preceding audit report for any improper practices previously noted.
- c. Verify that the records are maintained properly and reflect cash on hand and in the bank. (This verification should be made on an unannounced or surprise basis.)
- d. Determine that proper percentages for vending machine receipts are being paid and recorded.
- e. Review all receipts from sources other than vending machines and interest or dividends.
- f. Review all disbursements for their propriety.

615.75 **Content of Audit Report**

As a minimum, the audit report must include:

- a. A brief statement of the work performed by the auditor or audit committee.
- b. Copies of statement of receipts and disbursements as described in 615.62.
- c. An opinion as to whether the employee social and recreational committee fund is being operated as prescribed by this instruction and committee constitution and bylaws.

- d. An opinion on the statements prepared by the employee social and recreational committee with any adjustments recommended.
- e. A detailed listing of deviations from instructions including disbursements for questionable or unauthorized purposes and other deficiencies.

615.76 Distribution

The audit report must be submitted in triplicate to the head of the installation within 60 days after the close of the fiscal year. A copy must be posted on employee bulletin boards. One copy of the report, signed by all members of the audit committee of the outside auditor, must be submitted promptly to the Field Division Controller by the installation head.

615.77 Followup Action

The installation head is responsible for seeing that proper practices are followed and deficiencies are corrected. Where deficiencies have been noted, the installation head should report to the Field Division General Manager/Postmaster, by memorandum, the corrective action taken.

615.78 Review and Comments by Field Division Controller

The Field Division Controller reviews the audit reports to determine that they are complete, and that there is no indication that the committee operations are not in accordance with the prescribed accounting instructions. If a report is considered inadequate, the Division Controller may request additional information from the installation head or request further examination of the records. The Controller may comment on significant items for the information of the installation head, the Field Division General Manager/Postmaster, and the committee. Any evidence of deficiencies in internal controls, or financial irregularities of any kind, must be brought to the attention of the installation head.

615.79 Inspection Service Audit

The Inspection Service may periodically audit the employee social and recreational committee operations and funds, and will have complete access to all records and documents pertaining to the committee activities.

615.8 Tax Status of Social and Recreational Funds

- 615.81 The Internal Revenue Service has ruled that employee social and recreational committees which are established and operated in accordance with these regulations are an integral part of the Postal Service, are not subject to federal income taxation, and are not required to file federal income tax returns.
- 615.82 *Failure to adhere to the regulations might result in significant income tax liability for the employee and social recreational committee or for individual members of the committee.*

616 Savings Bonds Program

616.1 Payroll Savings Plan

The Postal Service cooperates with the Department of Treasury in the U.S. Savings Bond Program. The plan permits employees to authorize withholdings from their salary to purchase bonds.

616.2 Participation

616.21 New Employees

All new employees will be told about the advantages of the savings bond program. During their orientation, each employee is given the opportunity to enroll in the payroll savings plan.

616.22 Sustaining Program

Employees are reminded regularly of the financial advantages of bond investments. Imminent retirees are advised of the advantages of exchanging *Series E* for *Series H* bonds.

616.23 Exception

Employees serving in time-limited/intermittent appointments.

616.3 Authorization

Employees complete Standard Form 1192, *U.S. Savings Bond Authorization for Purchase and Request for Change*, to authorize deductions by pay period and to change deductions or bond denominations. This form is forwarded to the DDE/DR site for data entry.

616.4 Issuance/Refunds

The PDC issues and mails bonds when deductions are sufficient to pay for them. Bonds in denominations of \$75 or of a greater denomination will be dated the first day of the month in which the end of a pay period falls and when at least half of the purchase price is accumulated. The PDC also refunds withheld deductions insufficient to purchase a bond if the employee is separated from service or cancels withholding authorization.

616.5 Annual Campaign

616.51 Organization

A campaign is conducted throughout the government to encourage employee participation in the Savings Bonds Program through payroll allotments. All employees receive complete information and have an opportunity to participate in the plan, or to increase their present allotments. This decision must be the employee's alone without pressure or coercion, either direct or implied. The PMG serves as bond chairperson and designates a vice chairperson to conduct the remainder of the campaign. Those appointed select a coordinator and key worker to conduct the drive.

616.52 **Supplies**

The Treasury Department provides materials to be distributed directly to the post offices. Blank allotment cards are stocked in the supply centers and preprinted cards are distributed by the PDC prior to the campaign start-up. Supplies are ordered before the campaign begins.

616.53 **Reports**

The PDC provides reports showing base strength by installation, number of employees currently enrolled, and percentage of participation. If necessary, additional reporting requirements are provided by separate instructions before each campaign. The PDC and USPS employees must not provide or maintain any list of participants or nonparticipants in the bond program.

616.54 **Records**

Bond allotment records contain personal information about employees. Therefore, these records must be handled and disclosed only as stipulated in the Privacy Act and implementing instructions. Allotment records and related correspondence are maintained in the privacy system under USPS 050.020, *Finance Records — Payroll System*.

616.6 **Awards**

616.61 **Criteria**

In cooperation with USPS, the Department of the Treasury awards installations that meet campaign criteria. Awards vary with the organizational structure of the office or installation to be recognized. An installation or employee group must have a minimum of 50 percent participation. To find this percentage, the number of employees buying bonds through payroll allotment is divided by the number of full-time regular employees on the rolls in June and December. Program coordinators will be provided awards requirements during the annual campaign.

616.62 **Letter of Request**

The bond chairperson determines award eligibility and writes a letter of request to Employee Relations. Sample letter:



[__date__]

APMG EMPLOYEE RELATIONS DEPT
HUMAN RESOURCES GROUP

Attention: Savings Bonds Awards

The listed installations or employee group in this region (headquarters) have qualified for the U.S. Savings Bonds Awards according to criteria during the (year) annual campaign.

<u>Award</u>	<u>Size</u>	<u>Number</u>	<u>Installation/Group</u>
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[Please specify the permanent mailing address(es) for awards.]

<u>Group</u>	<u>Region</u>	<u>Department</u>
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[__signature__]
Bond Chairperson