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 vice president of Employee Resource Management 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

Major subject manuals are the basic source documents outlining Postal Service operational policies. Postal Bulletins, management instructions, handbooks, memorandums of policy, 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 Utility and Convenience

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.* Required material that tends to be permanent includes notices about:

(1) Local fire emergency plan.

(2) Occupational Safety and Health Act — OSHA Poster 2203 must be prominently posted at each work location.

(3) Office of Workers' Compensation Programs (OWCP).

(4) Unemployment Compensation Protection for Federal Employees.

(5) Equal Employment Opportunity (EEO).

b. *Official Management Use.* Items that should be dated and removed when outdated include notices about:

(1) Job opportunities.

(2) Benefit plans.

(3) Events affecting working conditions.

(4) Changes in work schedules.

(5) Changes in wage rates.

c. *General Interest.* General interest 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 Suitability

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 must provide bulletin board space for union use consistent with the terms of the applicable collective bargaining agreement.

612.24 Employee Lockers

612.241 Issuance

Issue personnel PS 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. Upon separation or transfer, employees must return their locker key to the appropriate facility official.

612.242 Maintenance and Inspection

Employee lockers are for official use only and must be kept clean and presentable. The use of personal locks is not permitted. Employee lockers are subject to inspection by authorized personnel. Provisions governing locker inspections are provided in applicable collective bargaining agreements.

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, 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. The address of the National Credit Union Administration follows:

NATIONAL CREDIT UNION ADMINISTRATION
1775 DUKE STREET
ALEXANDRIA VA 22314-3428

613.2 Space Allowance

The Postal Service will authorize, 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 Postal Service 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 Postal Service 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

The Postal Service provides food services, including provision of 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, as amended in 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 or Cafeteria.* An employee lunch room or 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

A fee of 1 1/2 percent of net sales is paid to the Postal Service by all vendors operating under contract. This "operating fee" offsets utilities costs to the Postal Service. No operating fees or commissions are charged to blind vendors operating under permit.

Disposition of funds depends on the source:

a. *From Central Lunchroom or Cafeteria.* The Postal Service must neither profit from nor subsidize the operation of a central lunchroom or cafeteria. Contractors operating these services do not pay a commission to the Postal Service. After 1 1/2 percent of net sales (operating fee) is deducted for reimbursement of utilities, any funds generated from operating a central lunchroom or 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 1 1/2 percent of net sales is deducted for reimbursement of utilities (operating fee), commissions and/or other income from vending machines in employee work areas is first shared with the state agency for the blind in accordance with the Randolph-Sheppard Act (see Handbook EL-602*, Food Service*

Operations). The remaining income is assigned to programs devised by the employee social and recreational committee.

615 Social 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

It is the policy of the Postal Service to provide equal employment opportunity for everyone, without regard to race, color, religion, sex, age (40 and above), national origin, or physical or mental handicap. This policy applies to all employment matters, including but not limited to, recruitment, hiring, assignments, promotions, transfers, benefits, and discipline. Such discrimination is thus prohibited in employee social and recreational programs.

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 those crafts, and a member from supervision designated by the organization representing the supervisory employees.

615.32 Requirements

615.321 Income From Vending Operations

An employee social and recreational committee must be established in each installation where employees receive income from vending machines or other enterprises. This committee may not have management responsibilities for such vending operations.

615.322 Meetings and Duties

Members of the employee social and recreational committee must be permitted by their supervisor to attend committee meetings called by the chairperson. 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 Postal 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 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 organizational objectives.

c. Expending employee social and recreational funds for the social and recreational activities of all employees. No monies may 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 are by a three-fourths vote.

c. The accounting and auditing of all funds are 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.)

Exhibit 615.34
Sample Constitution

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

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.

615.4 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

Funds may be derived from the following sources:

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

(1) Employee committees may not operate vending facilities. (See Handbook EL-602, *Food Service Operations,* for exception.)

(2) The Postal Service contracts for vending services except for those operated under permit by the blind.

(3) Vending commissions are paid directly to the Postal Service except for income provided by the Postal Service to a state licensing agency for blind vendors under the Randolph-Sheppard Act.

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

c. 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. Proceeds from recycling projects.

615.44 Prohibited Activities

The sponsorship of insurance programs, relief or assistance funds, hardship loans, etc., are prohibited as a social and recreational program activity. 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.

615.45 Safekeeping of Funds

615.451 Records

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

615.452 Single Fund

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.

615.453 Balance Under $100

When the average balance of a fund is less than $100, the employee social and recreational committee decides whether to maintain a bank or credit union account. 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.

615.454 Balance Over $100

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.

615.46 Requirements for Banking and Investment of Funds

615.461 One Checking Account

No more than one checking account should be maintained without the approval of the district Finance manager. Checking accounts must be carried in commercial banks insured by the Federal Deposit Insurance Corporation unless no such insured bank is available locally. The balance in a checking account (including normal float of outstanding checks) should ordinarily not exceed by any substantial amount the balance required to avoid service charges or the balance required to meet 30 days' cash expenditures, whichever is larger.

615.462 Reserve Funds

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.

615.463 No Long-term Accumulation

Social and recreational funds must be disbursed for the benefit of all employees and should not accumulate over the years.

615.47 Expenditures of Funds

615.471 General Benefit

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.

615.472 Appropriate Expenditures

There are many types of expenditures that may properly be made that will be for the benefit of all the employees. Questions relating to the appropriateness of intended expenditures should be referred to the district manager. Contributions to the following types of projects would be appropriate expenditures for the employee social and recreational committee:

a. Gift to an employee or wife of an employee for a new baby, provided the same criteria are used for all employees.

b. Retirement gift for an employee, provided the same criteria are used for all employees.

c. Expression of sympathy for a death in the immediate family, provided the same criteria are 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, provided the same criteria are used for all employees' children.

i. Microwave ovens, refrigerators, games and recreational equipment for the swing room.

615.473 Inappropriate Expenditures

Contributions to the following types of projects would not be appropriate expenditures and should not be made by the employee social and recreational committee:

a. Public charities.

b. Travel and/or expenses of employee organization official to attend meetings.

c. Political campaigns.

d. Projects that alter or affect working conditions at postal installations.

615.5 Records and Files

615.51 Ledger

A designated member of the committee at each postal installation maintains in a bound ledger a record of all monies received by or disbursed from the fund. (See Exhibit 615.5 for instructions for setting up and maintaining a ledger.)

615.52 Checkbook

Pre-numbered checks should be used for disbursements of $10 or more. Smaller disbursements may be made from petty cash. The member of the

employee social and recreational committee authorized to sign checks should not be the same person who receives and deposits funds. (See Exhibit 615.5 for instructions.)

615.53 Record of Assets

A permanent record of all accountable property owned by the employee social and recreational committee should be maintained. Such property includes assets purchased outright, under lease, and on an installment plan, and assets donated. (See Exhibit 615.5 for instructions.)

615.54 Supplies Inventory

All supplies on hand should be inventoried by physical count at the end of each fiscal year, or more often if desired. The chairperson of the committee must sign the statement. Records of inventories should be retained for 2 years from date of inventory. (See Exhibit 615.5 for instructions.)

615.55 Unpaid Obligations

All unpaid bills should be listed at the end of each fiscal year, or more often if desired. All unpaid obligations except those listed in the record of assets should be included. The chairperson of the committee should sign the list. The list should be retained for 2 years. (See Exhibit 615.5 for instructions.)

615.56 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 (with any delivery tickets attached 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 list of unpaid obligations.

e. Financial statements, audit reports, and comments by the district Finance manager.

f. Constitution and bylaws, agreements, or regulations covering operations, and minutes of committee meetings.

Exhibit 615.5

Instructions for Keeping Records and Files for the Employee Social and Recreational Committee

Keeping Records and Files for the Employee Social and Recreational Committee	
Handling the Funds — *Appointed Funds Handler*	

Safekeeping	■ Keep all monies received in one fund.
	Separate funds may not be maintained by stations or branches of one installation.
	If the average balance of a fund is…
	■ less than $100, then
	  ■ decide whether to keep funds in a safe place (such as a safe) or to maintain a bank or credit union account.
	■ $100 or more, then
	  ■ keep all funds except petty cash in a single bank or credit union account.
	  ■ make deposits as frequently as necessary, consistent with type and amount of funds received.
	  ■ keep excess funds in an interest-bearing account in a federal credit union or federally insured bank or savings institution.

Checks	■ Use pre-numbered checks for all disbursements over $10 (which can be paid from petty cash). ■ Complete each stub in ink as the check is issued. ■ Periodically reconcile the check stub balance with the bank statement. *The committee member authorized to sign checks should not be the same person who receives and deposits funds.*
Keeping a Ledger — *Appointed Committee Member*	
Permanent Record	■ Use a bound ledger to keep records of receipts and disbursements. ■ Use permanent ink to make all entries.
Columns	■ Put the following headings (at a minimum) at the head of the columns on each page: **Date Explanation Receipts Disbursements Balance** *When the number and type of disbursements, make it practicable to record each of the different types of separate columns, then use additional columns, including one headed Total Disbursements.*
Entries	■ Insert the words “balance forwarded” as the first entry on each page. ■ Record each different transaction on a separate line of the ledger. ■ 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. *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.*
Balances	■ Record column balances by drawing a single line under the last daily transaction on a page and entering beneath this line the total of each individual column amount. ■ Subtract the total of the disbursements from the total of the beginning balance and receipts to determine the balance to be carried forward to the next page. ■ Insert the balance you have found as the “balance forwarded” on the first line of the Balance column on the following page. *The balance must always represent the amount of cash on hand in the bank or credit union.*

Errors	If you…
	■ make an error before the balance is forwarded to the new page, then
	  ■ draw a single line through the incorrect entry.
	  ■ insert the correct entry immediately above.
	  ■ initial the correction
	■ discover an error on a page for which the balance has already been forwarded, then
	  ■ record the correction on the next blank line in the column that will bring the ledger into agreement with cash on hand.
	  ■ reference the page number and the line being corrected.

Keeping Records and Files for the Employee Social and Recreational Committee	
Keeping Records — *Appointed Committee Member*	
Property Assets	■ Maintain a permanent record of all accountable property purchased outright, under lease, or on an installment plan or donated. ■ For each item show name, serial number, location, date received, purchase price, amount of periodic payments, and amount still unpaid.
Supplies	■ Inventory all supplies by physical count at the end of the fiscal year, or more often if desired. ■ List each item under a heading for the building where located on the date of inventory. ■ Show item description, quantity, unit cost (taken from amount on most recent bill), and total cost. ■ Get signature from chairperson of committee. ■ Keep record for 2 years.
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 connection with assets in that record. ■ Show the date of the bill, name of vendor, description of purchase, amount due, and date due. ■ Get signature from chairperson of committee.

Files	■ Maintain chronological files of any of the following or similar documents pertaining to the operation of the fund:
	  ■ Paid invoices, showing date paid, with any delivery tickets attached.
	  ■ Bank statements and related paid checks.
	  ■ Statements from outside vending machine owners covering commissions received by fund or other items.
	  ■ Supplies' inventory and list of unpaid obligations.
	  ■ Financial statements, audit reports, and comments by the district Finance manager.
	  ■ Constitution and bylaws, agreements or regulations covering operations, and minutes of committee meetings.

Sample Ledger Sheet

Date	Account Title (Explanation of Expenditure)	Receipts	Disbursements	Balance

615.6 Reports

615.61 Frequency

All employee social and recreational committees must prepare statements 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 PS Form 3241, *Statement of Receipts and Disbursements (Employee Social and Recreational Funds),* Exhibit 615.62. This statement must be signed by the chairperson and treasurer of the social and recreational committee. One copy of the prepared form is retained in committee files, copies are posted on employee bulletin boards, and the original and one copy are sent to the installation head. The installation head must forward one copy of the form to the district Finance manager with the audit report prepared as described in 615.7. Headquarters field units must forward one copy to the vice president and controller of Finance.

Exhibit 615.62

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

UNITED STATES POSTAL SERVICE®

Statement of Receipts and Disbursements

(Employee Social and Recreational Funds)

Post Office and ZIP + 4	For FY Ended	Read Instructions on Reverse

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

Signature of Chairman	Date Signed	Signature of Treasurer	Date Signed

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Exhibit 615.62 (p. 2)

PS Form 3241, Statement of Receipts 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

General

All copies must be signed and dated by the chairman and the treasurer of the Employee Committees.

Distribute as follows:

Original -- Retained by committee;
Copy 1 -- To District Manager of Finance with Audit Report; at Headquarters to Vice President, Controller;
Copy 2 -- To installation head, with audit report; and
Post a copy on the employee bulletin board.

If additional space is required, attach separate sheet and reference by item no.

Specific

1 Enter ending cash balance from last report.
2 Enter in the first column only income from sales or commissions from vending machines.
3 Enter income from interest or dividends in column headed "Other Enterprises."
4 Enter income from other enterprises in the second column.
5-6 Self-explanatory.
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.
8-9 Self-explanatory.
10-16 Enter disbursements for employee benefits by category.
17-19 Self-explanatory.
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.
23-25 Self-explanatory.

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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 Recommendation for Audit

615.721 Installation Head

The head of each installation is required to recommend an independent audit as prescribed in 615.74 when the size and complexity of an operation justifies such action.

615.722 District Finance Manager

The district Finance manager reviews such recommendations and advises installation heads whether an independent audit should be made and may also require that an audit be made irrespective of any recommendations.

615.73 Internal Audit

When an independent audit is not made, the installation head appoints 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.

615.74 Independent Audit

When the district Finance manager 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 district Finance manager. If public accountants are not licensed or certified, independent audits must be made by certified public accountants.

615.75 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.

615.76 Audit Report

615.761 Content

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 list of deviations from instructions, including disbursements for questionable or unauthorized purposes and other deficiencies.

615.762 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 district Finance manager by the installation head.

615.77 Follow-Up 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 district manager, by memorandum, the corrective action taken.

615.78 Review and Comments by District Finance Manager

The district Finance manager 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 district Finance manager may request additional information from the installation head or request further examination of the records. The district Finance manager may comment on significant items for the information of the installation head, the district manager, 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 Office of Inspector General Audit

The Office of Inspector General may periodically audit the employee social and recreational committee operations and funds, and must have complete access to all records and documents pertaining to the committee activities.

615.8 Tax Status of Social and Recreational Funds

615.81 Exemption

The Internal Revenue Service has ruled that employee social and recreational committees that 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 Liability

Failure to adhere to the regulations may result in significant income tax liability for the employee and social recreational committee or for individual members of the committee.

616 Savings Bond 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 Notification

616.21 Annual Savings Bond Drive

616.211 Organization

The PMG serves as chairperson for an annual bond drive and designates a vice president as vice-chairperson. The vice-chairperson selects a national coordinator and functional coordinators to conduct the drive. The drive is conducted primarily via direct mail to employees.

616.212 Participation

The drive is conducted throughout the Postal Service to encourage employee participation in the Savings Bond Program through payroll allotments. All employees except those serving in time-limited or intermittent appointments 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.

616.213 Supplies

Supplies for the drive are provided by the Department of Treasury.

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

616.3 Enrollment

616.31 Authorization for Payroll Allotment

Employees complete PS 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. During the annual Savings Bond Drive, the completed form is sent to the Eagan Accounting Service Center (ASC) for data entry. At all other times, authorization forms requiring data entry are forwarded to the local distributed data entry/data recording (DDE/DR) site.

616.32 Cancellation of Allotment

An employee may revoke the authorization at any time by requesting revocation in writing to the payroll office. Discontinuance is effective the first pay period beginning after the receipt of the written revocation by the payroll office.

616.33 Issuance and Refunds

The Eagan ASC issues and mails bonds when deductions are sufficient to pay for them. Bonds in denominations of $100 or more are 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 ASC also refunds withheld deductions insufficient to purchase a bond if the employee is separated from service or cancels withholding authorization.

616.34 Privacy of 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.

616.4 Reports

The Eagan ASC provides reports showing the number of employees currently enrolled by performance cluster and area, and percentage of participation. No lists or reports are to be created or maintained that contain the names and/or titles of participants or nonparticipants in the bond program.

617 Combined Federal Campaign Program

617.1 Annual Campaign

617.11 Purpose

The Combined Federal Campaign (CFC), established in 1961, provides a single, unified, efficient annual campaign in support of voluntary agencies that solicits contributions through payroll allotment. Employees contributing to the CFC help essential organizations meet the challenges of sickness and disease and minister to the needs of the aged, the handicapped, and the mentally ill. They provide aid that reaches as far as to Latin America, Asia, or Africa, and as close as to a member of the family or a next door neighbor.

617.12 Authorization

The Postal Service, in cooperation with the Office of Personnel Management (OPM), conducts this annual charitable fund-raising campaign pursuant to Executive Order No. 12353, as amended by Executive Order No. 12404, and all subsidiary units of such programs.

617.2 Organization

617.21 Local Federal Coordinating Committee

The Director of the Office of Personnel Management designates a group of federal officials as the Local Federal Coordinating Committee (LFCC), which conducts the CFC in a particular community. The LFCC, in turn, selects a Principal Combined Fund Organization (PCFO) to administer local campaigns.

617.22 Postal Service Organization

The postmaster general (PMG) serves as the U.S. Postal Service National Campaign Chairperson. The PMG appoints a national campaign vice-chairperson to initiate, promote, and monitor the campaign, who in turn designates a national campaign coordinator. The vice presidents of Area Operations serve as co-vice chairpersons for their geographic areas.

617.23 Loaned Executive Program

The loaned Executive Program is a CFC-sponsored program that trains mid-level managers from the federal civilian, military, and postal sector to plan and execute the annual fund-raiser. The loaned executive is assigned as an extension of the CFC professional staff to departments and/or agencies throughout the government to assist in all phases of the CFC.

617.3 Solicitation

617.31 Participation

Combined Federal Campaigns are conducted throughout the country. In areas where a campaign is authorized, postal employees are contacted and given the opportunity to contribute to the campaign. The decision to participate is strictly the employee's, without pressure or coercion, either direct or implied.

617.32 Time Frame

The solicitation of employees occurs for a period of 6 weeks between September 1 and December 15, as established by the LFCC.

617.33 Supplies

Specific campaign and publicity materials — i.e., the contribution information leaflet, poster, pledge cards, and list of organizations — are printed and supplied by the PCFO.

617.4 Contributions

617.41 General

Contributions to the CFC can be made through payroll allotment, cash, check, or money order. The minimum period of employment considered

reasonable for establishing an allotment is 3 months. Employees on detail to other offices can only contribute to the CFC through their home offices.

617.42 Authorization for Payroll Allotment

For payroll allotments, employees must complete, sign, and date CFC Form 100, *CFC Pledge Card,* authorizing the Postal Service to withdraw the monies from their pay, starting with the first pay period that begins in January and ending with the last pay period that begins in December. Pledge cards are sent to the CFC coordinator for verification. The CFC coordinator then forwards the cards to the Eagan ASC for data entry. After the official campaign has ended, new pledge forms requiring data entry are sent to the local DDE/DR site. DDE/DR sites retain the pledge cards for 6 months.

617.43 Cancellation of Allotment

An employee may revoke the authorization at any time by requesting revocation in writing to the payroll office. Discontinuance is effective the first pay period beginning after the receipt of the written revocation by the payroll office. A discontinued allotment must not be reinstated.

617.44 Cash Payments

Employees making cash, check, or money order contributions must also complete a pledge card. However, these cards are not submitted to the DDE/DR site but to the CFC coordinator for forwarding to the principal CFC organization. Checks and money orders must be made out to CFC and signed.

617.45 Privacy of Records

CFC Pledge Cards, once completed, 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.

617.5 Reports

Weekly reports are produced locally that show percentage of participation and percentage of goal accomplishment. Upon completion of the campaign, the Eagan ASC generates a report showing the number of employees making contributions through CFC via payroll deduction. No lists or reports are to be created or maintained which contain the names and/or titles of participants or nonparticipants in the campaign.

617.6 Recognition

617.61 Plaques

The CFC provides a recognition program for federal units that achieve high standards of CFC support. Plaques are awarded as visible indication of the community spirit and generous giving of employees.

617.62 Certificates

Certificates of Appreciation are available upon request from the loaned executive for keyworkers and team captains.

617.7 Further Information

For detailed information regarding rules, regulations, and instructions on how to run a campaign, see 5 CFR 950 and Publication 530, *U.S. Postal Service Combined Federal Campaign Operational Guidelines,* which is available from the material distribution centers and on the Postal Service Intranet.

620 Contests

621 Scope

This subchapter establishes the policy and procedures for contests and related awards.

622 Objective

Contests are intended to provide a motivational tool for improving performance in particular functions. Such programs can be used for, but are not limited to, safety awareness and sales promotion. Each contest must have a specific start and end date, and the purpose must be clearly defined.

623 Responsibilities

623.1 Approval Authorities

The appropriate district manager, senior plant manager, area vice president, or Executive Committee member approves a proposed contest. The level of approval is determined by the geographic scope of the contest.

623.2 Districts and Plants

The district manager or senior plant manager approves all proposed contests for a district or below. The approving official:

a. Determines the appropriateness of each proposed contest in terms of specific objectives to be achieved and approves or disapproves the contest and the awards to be presented.

b. Oversees the accountability of an approved contest in terms of monetary benefits, improved safety, improved customer services, etc.

c. Forwards a copy of the proposal for an approved contest to the area functional manager and the area Human Resources manager.

d. At the conclusion of each contest, evaluates the results against the objectives and submits a full report to the area functional manager.

623.3 Areas

623.31 Area Vice President

The area vice president approves all proposed area contests.

623.32 Area Functional Managers

The appropriate area functional manager:

a. Together with the area Human Resources manager, monitors each area contest to determine compliance with program criteria in 624.1.

b. Announces the contest winners.

c. Analyzes the results of each contest to determine its benefits to the Postal Service (for example, reduction in the number of motor vehicle accidents, or increase in the number of firms using ZIP+4) and provides the district manager or senior plant manager with any guidance appropriate for future contests.

623.4 Executive Committee Member

The appropriate Executive Committee member:

a. Approves all proposed national contests.

b. Monitors national contests to ensure compliance with program criteria in 624.1.

c. Announces contest winners.

624 Establishment

624.1 Criteria

Responsible officials:

a. Establish clear objectives, guidelines, and rules in advance.

b. Specify start and end dates.

c. Structure the contest to make it competitive. (If individual competition is involved, at least 10 employees must be included.)

d. Establish objectives that are clear and measurable.

624.2 Structure

To achieve the broadest possible participation and facilitate control, responsible officials ensure that each contest:

a. Is divided into competitive units, such as competition among plants or Post Offices. Competition may also be arranged between comparable units on a single tour, tour against tour, or station or branch against other stations or branches.

b. Includes all individuals involved in the activity at the organizational level of the contest.

c. Is conducted within a specific time frame, such as a month, a quarter, or a year.

d. Has objectives that (1) clearly state what is to be accomplished (for example, reduction in the number of motor vehicle accidents, or increase in the number of firms using ZIP+4); and (2) can be measured.

624.3 Contest Rules

Responsible officials ensure that all rules and procedures (1) are made clear before the contest begins; (2) are posted or distributed to each employee

involved; and (3) state the measurable objective that will be used to determine the winners.

625 Implementation

625.1 Eligibility

Employees are eligible to participate in all contests without regard to race, color, religion, national origin, sex, age, or physical or mental handicap.

625.2 Evaluation

625.21 Winners

Responsible officials ensure that (1) award decisions are based on the rules and procedures established for each contest; and (2) selection of the winning individual or group is based on a predetermined measurable objective.

625.22 Ties

Responsible officials resolve ties by chance drawing or other equitable form of elimination.

626 Types of Awards

626.1 Acceptable

Acceptable awards are characterized as follows:

a. Only noncash items such as trophies, plaques, pins, or gift certificates may be awarded.

b. The value of each award may vary from contest to contest or be graduated within a contest with progressive levels of competition.

c. To ensure maximum interest, prizes should be alternated periodically, or a variety of prizes should be made available for individual selection from a catalog.

d. Prizes offered must be appropriate for both sexes.

e. The maximum value of a contest award cannot exceed $500. (See ELM 470 for more information on awards.)

626.2 Unacceptable

Cash and cash equivalent items are not authorized as prizes.

627 Limitations

627.1 Numbers and Types of Contests

The following guidelines apply:

a. Sponsoring organizations may conduct no more than four contests per year.

b. Identical contests may not be carried over automatically from year to year.

c. Approval must be received before each contest, even if it is similar, or identical, to a previously authorized contest.

627.2 Expenditures

627.21 District and Plant Contests

The district manager or senior plant manager determines the total annual expenditure (publicity, printing, awards, pictures, certificates, etc.) for each contest. The expenditure should be offset by operational savings.

627.22 Area Contests

The area vice president determines the amount allocated for areawide contests.

627.23 National Contests

The appropriate Executive Committee member grants prior approval of the amount allocated for nationwide contests.

630 Ideas Program

631 Policy

The Postal Service encourages its employees to contribute constructive ideas that will improve customer satisfaction, generate revenue, increase productivity, reduce cost, and improve the competitiveness of the Postal Service in the marketplace. Ideas are to be promptly evaluated to ensure that their value is quickly realized and the responsible employees are immediately recognized.

632 Eligibility

All active career employees are eligible for nonmonetary recognition or a cash award for their ideas. Eligibility is without regard to race, color, religion, national origin, sex, age, or physical or mental disability.

633 Criteria

633.1 General Criteria

Ideas are eligible for nonmonetary recognition, whether adopted or not adopted, at the discretion of the evaluating supervisor or manager. To be eligible for a cash award under the Ideas Program a proposal must:

a. Trigger management action.

b. Result in an improvement to service, an increase in efficiency, or other substantial benefit. The proposal should involve a recommendation for change such as:

(1) Improving customer service and customer satisfaction.

(2) Increasing revenue generation.

(3) Improving safety performance.

(4) Improving productivity.

c. Adhere to all existing laws.

d. Not modify or otherwise relate to matters concerning wages, hours, or working conditions.

633.2 Engineering Criteria

A proposed change related to the improvement of equipment controlled by the Engineering Change Board (ECB) is eligible for a cash award when the following requirements are satisfied:

a. The equipment has been deployed for one year.

b. Equipment warranties are not jeopardized.

c. The idea is tested on only one unit of equipment.

d. The provisions and detailed procedures of Publication 101, *Engineering Change Board Organization and Operation,* are strictly followed.

634 Awards

634.1 General

Awards are based on the contribution of an employee's proposal to the Postal Service, as judged by management. Supervisors as well as managers may adopt and implement ideas and may give awards to the responsible employees.

634.2 Nonmonetary Awards

Nonmonetary awards provide supervisors and managers with a way to recognize employees for submitting ideas that are commendable but are not adopted locally or are not of sufficient scope or impact to support a cash award. These awards are determined locally and may include pins, certificates, plaques, or nominal gifts. These awards may not modify or otherwise relate to matters concerning wages, hours, or working conditions.

634.3 Cash Awards

634.31 Amounts

Cash awards for adopted ideas are as follows:

a. Up to $250 may be given to an idea originator by a supervisor or manager for proposing an idea that is implemented locally.

b. Up to $2,000 may be given to an idea originator by a PCES manager in a plant, district, area, or Headquarters unit who adopts and implements the idea operationwide.

c. Up to $10,000 may be given to an idea originator by the vice president of a functional organization who implements an idea nationwide.

d. Up to 10 percent of the amount of the idea originator's award may be given to the supervisor or manager who champions the idea by the PCES manager who implements the idea operationwide.

e. Up to $2,000 may be distributed among employees (originators not included) involved in testing and documenting the idea by the PCES manager if this award is approved by a vice president who adopts the idea nationwide.

634.32 Multiple-Level Awards

When a suggestion is adopted at more than one management level and more than one cash award results, subsequent cash awards are not reduced by the amount of any previous cash award given.

634.33 Deductions

A cash award is in addition to regular salary and is considered income under federal tax laws. Appropriate taxes and other involuntary deductions, e.g., tax levies and garnishments, are withheld from each award.

634.34 Acceptance

Acceptance of a cash award constitutes employee agreement to forego any further claim on the Postal Service by self, heirs, or assigns.

635 Records

All formally submitted ideas are maintained in the eIDEAS system. Awards made as a result of the Ideas Program are maintained in the eAWARDS.

636 Processing

636.1 Summary of Steps

For a summary of the steps required for processing idea proposals, see Exhibit 636.1.

636.2 Payment

Supervisors and managers process payments for adopted ideas through eAWARDS.

636.3 Presentation Ceremonies

Whenever possible, an installation head should provide an appropriate ceremony for each award and coordinate publicity with information personnel.

Exhibit 636.1
Idea Proposal Processing Summary

Initiation **Employee or Group of Employees**	**Submits idea to an immediate supervisor by logging into the eIDEAS application at *https://eideas.usps.gov/eideas*.**

Local implementation
Supervisor
	Decides whether idea is within ability to implement.
	If not…
	Coordinates with supervisor responsible for implementing proposed idea for assistance in the evaluation. Assisting supervisor is then responsible for responding to original supervisor.
	If so…
	Evaluates idea and decides which action to take.
	■ Adopts idea and decides whether to recognize originator with nonmonetary or cash award.
	  ■ Notifies employee of decision.
	  ■ Implements idea in work area.
	  ■ Arranges to recognize employee with nonmonetary award or cash award up to $250 (see 634.2 and 634.3).
	■ Does not adopt idea but recognizes originator with nonmonetary award for submission of commendable idea.
	  ■ Notifies employee of decision.
	  ■ Arranges to recognize employee with nonmonetary award.
	■ Does not adopt idea.
	  ■ Notifies employee of decision.
	Decides whether to champion idea for wider implementation by bringing it to attention of district or plant manager.

Wider implementation
PCES plant, district, area, or Headquarters manager
	Decides whether idea is within ability to implement.
	If not…
	Coordinates with manager responsible for implementing proposed idea. Receiving functional manager is then responsible for responding to original supervisor.
	If so…
	Evaluates idea and decides which action to take.
	■ Adopts idea and decides whether to recognize originator with nonmonetary or cash award.
	  ■ Notifies employee of decision.
	  ■ Implements idea in the plant, district, area, or Headquarters unit.
	  ■ Arranges to recognize employee with nonmonetary award or to recognize employee with cash award up to $2000 and championing supervisor with amount up to 10 percent of employee's award (see 634.2 and 634.3).
	■ Does not adopt idea.
	  ■ Notifies employee and supervisor of decision.
	If wider implementation may be appropriate, decides whether idea is within ability to test and document.
	If not…
	Submits idea directly to functional vice president for evaluation and award.
	If so…
	Tests idea for 6 months and documents feasibility.
	■ If feasibility is established, submits a documented proposal to functional vice president.

National implementation *Vice president*	**Evaluates idea and decides which action to take.** ■ Adopts idea and decides whether to recognize originator with nonmonetary or cash award. ■ Notifies employee, supervisor, and manager of decision. ■ Arranges to have idea implemented nationally. ■ Arranges to recognize originating employee with nonmonetary award or to recognize employee with cash award up to $10,000 and, if indicated, provides an amount up to $2,000 to PCES plant, district, area, or Headquarters manager for distribution to those employees involved in testing and documenting proposal (see 634.2 and 634.3). ■ Does not adopt idea. ■ Notifies originating employee and championing manager.

640 Employee Claims

641 Nonbargaining Unit Employees

641.1 Policy

It is Postal Service policy to reimburse nonbargaining unit employees for loss or damage to their personal property when suffered in connection with, or incident to, their employment while on duty or while on postal property.

641.2 Requirements

Employee claims for reimbursement must meet these conditions:

a. The possession of lost or damaged property was reasonable or proper under the circumstances.

b. The damage or loss was not caused in whole or in part by a negligent or wrongful act of the employee.

c. The loss or damage did not result from normal wear and tear associated with day-to-day living and working conditions.

d. The loss or damage, taking into consideration depreciation, amounts to $10 or more.

e. The loss or damage claimed was not for a motor vehicle or the contents of a motor vehicle, *except* in cases where payment would be equitable, such as unjust acts of retaliation; extraordinary risk in performance of duty, as in connection with civil disturbance or common or natural disaster; or efforts to save government property or human life.

641.3 Claimants

641.31 Valid

Only those listed may file claims:

a. Postal employees.

b. Survivors in this order:

(1) Spouse.

(2) Children.

(3) Father, mother, or both.

(4) Brothers, sisters, or both.

641.32 Fraudulent

If investigation shows the claimant, or agent, intentionally misrepresented a claim for an item's cost, condition, repair, etc., the claim is denied — even though there is some actual damage. However, if the claim for another item is correct, that claim is paid. Disciplinary action will be taken if warranted.

641.4 Compensation

641.41 Lost or Destroyed Property

Compensation usually equals, but never exceeds, the actual value of property at the time of loss. Value is determined by purchase price (or value at time of acquisition), replacement cost, and salvage value. Depreciation is figured according to the type, age, and condition of item when lost or destroyed. Incidental expenses or losses are excluded.

641.42 Damaged Property

Compensation is usually the cost of repairs, not to exceed the actual value of property when damaged. If property is damaged beyond repair, compensation is the actual value at time of damage, less salvage value. Incidental expenses are excluded.

641.43 Third Party Recoveries

641.431 Insurance

If the loss amounts to $500 or more and is recoverable from an insurer or other third party, the employee must first request reimbursement from that source. If the loss is *less* than $500, the employee may file an employee claim instead. The employee must make an effort to recover a loss of any amount from a hotel or airline before submitting an employee claim.

641.432 Supplement

The Postal Service pays the difference between that insurer's payment and the actual loss, provided it is judged to be a valid claim. The Postal Service pays no part of a claim if the insurer or other third party pays more than the amount allowable.

641.433 Refunds

The employee must pay back the amount received from the Postal Service if the employee recovers the lost item or receives payment from an insurer.

641.5 Procedures

641.51 Time

Employees must present claims as soon as possible after the loss occurs and not later than 90 days from the date of loss or discovery of loss. Claims received after 90 days are acceptable only if the delay was not the claimant's fault.

641.52 Documentation

PS Form 2146, *Employee's Claim for Personal Property,* must be filed. However, any written document received within the period allowed is treated

as a proper claim if it provides substantiating information. All claims must be supported with evidence such as (a) date of purchase and (b) sales receipt or statement from seller showing price and date of purchase.

641.53 Submission and Initial Decisions

Employees submit claims based on the installation to which they are assigned. Submission of claims and initial determinations are as follows:

a. *Field Offices.* Submit claims to the district manager of Customer Service and Sales, who renders the initial decision.

b. *Area Offices.* Submit claims to the area Human Resources manager, who renders the initial decision.

c. *Headquarters and Headquarters Field Units.* Submit claims to the manager of Personnel Operations Support, who renders the initial decision.

d. *Inspection Service and Inspection Service Field Offices.* Submit claims to the deputy chief inspector of Administration, who renders the initial decision.

641.54 Disposition

The disposition of claims depends on the initial decision:

a. *Allowed Claim.* A settlement check is forwarded to the claimant. When a claim is only partially paid, a written explanation accompanies the check.

b. *Denied Claim.* A written explanation of the reason for the decision is forwarded to the claimant.

641.55 Appeal

A letter of denial may be appealed by the claimant within 15 days of receipt of the notification. Reasons and documentation must be furnished. The reviewer's decision is final and there is no further administrative appeal. An appeal is submitted as follows:

a. *Field Offices.* Submit appeal to the vice president of Area Operations.

b. *Area Offices.* Submit appeal to the vice president of Area Operations.

c. *Headquarters and Headquarters Field Units.* Submit appeal to the vice president of Employee Resource Management.

d. *Inspection Service and Inspection Service Field Offices.* Submit appeal to the chief postal inspector.

642 Bargaining Unit Employees

Bargaining unit employees are covered by provisions of their collective bargaining agreement.

650 Nonbargaining Disciplinary, Grievance, and Appeal Procedures

651 Disciplinary and Emergency Procedures

651.1 Scope

Part 651 establishes procedures for (a) disciplinary action against nonprobationary employees who are not subject to the provisions of a collective bargaining agreement, and (b) emergency action for conduct that also normally warrants disciplinary action.

651.2 Representation

Subject to prohibitions regarding Executive and Administrative Schedule (EAS)/Craft representation, employees have free choice of representation. Representatives designated by employees, if postal employees and if otherwise in a duty status, are granted a reasonable amount of official time to respond to notices of proposed disciplinary action, to prepare for and represent the employee at a hearing held in accordance with 652.24, and/or to represent an employee who has appealed a letter of warning or emergency placement in a nonduty status in accordance with 652.4. Employees covered under these provisions may request representation during investigative questioning if the employee has a reasonable belief disciplinary action may ensue.

651.3 Nondisciplinary Corrective Measures

Accountable managers/supervisors are responsible for the direct day-to-day performance management of subordinates. The accountable manager/supervisor monitors subordinates' performance and provides appropriate resources, coaching, and feedback to subordinates. The manager/supervisor is responsible for leading the employee to a higher level of achievement. Performance improvement should be a shared concern and effort between manager and employee. Early dialogue and guidance are critical to achieving positive results and continuance of an effective manager/employee relationship.

651.4 Emergency Placement in Off-Duty Status

An employee may be placed in an off-duty nonpay status immediately but remains on the rolls when he or she (a) exhibits characteristics of impairment due to alcohol, drugs or other intoxicant, (b) fails to observe safety rules, (c) fails to obey a direct order, (d) provides reason to be deemed potentially injurious to self or others, or (e) disrupts day-to-day postal operations in any other way. Placement in an off-duty nonpay status is confirmed in writing, stating the reasons and advising the employee that the action is appealable. The employee should be returned to duty after the cause for nonpay status ceases unless individual circumstances warrant otherwise. Use of these emergency procedures does not preclude disciplinary action based on the same conduct.

651.5 Letters of Warning

When warranted by the failure of nondisciplinary corrective measures or by the seriousness of the offense, a letter of warning may be issued. Letters of warning are usually issued by the employee's immediate supervisor. The written warning should contain (a) specific reasons for the letter and (b) a statement of applicable appeal rights. Letters of warning remain in the employee's official personnel folder (OPF) for a period of 2 calendar years unless otherwise resolved or cited in subsequent disciplinary action.

651.6 Letters of Warning in Lieu of Time-Off Suspensions

651.61 Policy

Letters of warning in lieu of time-off suspensions replace time-off suspensions for nonbargaining employees, except when required otherwise by statute, and except for employees in the Office of Inspector General, where time-off suspensions are an available form of discipline in addition to letters of warning in lieu of time-off suspensions. This policy does not preclude management from placing a nonbargaining employee in an indefinite nonpay, nonduty status when there is reasonable cause to believe the employee has committed a crime for which a sentence of imprisonment may be imposed.

651.62 Implementation

Letters of warning in lieu of time-off suspensions may be issued in lieu of either 7-day or 14-day time-off suspension only. Unless required by statute, suspensions of more than 14 days are prohibited except for indefinite suspensions referenced in 651.7. Letters of warning in lieu of time-off suspensions are equivalent to time-off suspensions as an element of past discipline and may be cited as such in future disciplinary actions.

651.63 Notice

Normally, the employee's immediate supervisor issues a proposed letter of warning in lieu of time-off suspension stating (a) specific and detailed reasons for the letter; (b) instructions for responding to it; (c) the right of the employee or representative to review all material relied upon in the action; and (d) when, where, and from whom the material is available.

651.64 Response

The employee and/or his or her representative may respond to the proposed letter of warning in lieu of time-off suspension in writing and/or in person to the deciding official (management at a higher level of authority than the individual who issued the proposed letter of warning in lieu of time-off suspension) within 10 calendar days of receipt.

651.65 Decision

The deciding official, after consideration of the facts of the case and the employee's response, issues a letter of decision after the expiration of the 10-calendar day period for reply, but no later than 30 calendar days following the receipt of the employee's response. The decision letter will advise the employee that he or she may appeal in writing within 15 calendar days of receipt of the letter of decision.

651.66 Retention

Letters of warning in lieu of time-off suspensions remain in the employee's OPF for 2 years unless otherwise resolved or cited in subsequent disciplinary action.

651.7 Adverse Actions

651.71 Definition

Adverse actions are defined as discharges, suspensions of more than 14 days, furloughs for 30 days or less, and/or reductions in grade or pay.

651.72 Policy

Adverse action may be taken against an employee (a) because lesser measures have not resulted in the correction of deficiencies in behavior or performance, (b) because of the gravity of the offense, or (c) for nondisciplinary reasons, such as the correction of a position misranking.

651.73 Notice

Unless the circumstances of a particular case make it impractical, the employee's immediate supervisor issues a written notice of proposed adverse action. This notice includes (a) the action proposed, with specific and detailed reasons; (b) the instructions for responding to the notice; (c) a statement of the right of the employee or representative to review all material relied upon in proposing the action and when and where the material is available for review; and (d) the name of the official rendering the decision. The proposal also advises the employee that a reasonable amount of official time is allowed for the preparation and presentation of a reply if the employee is otherwise in a duty status and that the proposed action will be effected no sooner than 30 calendar days after the employee receives the notice.

651.74 Response

The employee or representative may respond to the notice of proposed adverse action in writing, in person, or both, to the deciding official or designee identified in the notice. The employee or representative may respond and present evidence, including affidavits, within 10 calendar days from receipt of the notice. The time limits for responding to a proposed adverse action may be extended by the deciding official or designee for reasonable cause.

651.75 Decision

The deciding official, who must be higher in authority than the proposing official, considers the employee's response and gives a written decision, including reasons for the decision, as soon as possible after the employee's time to respond has expired, but no later than 60 calendar days following the receipt of the employee's response. In field installations, the installation head or designee usually makes the decision. In other offices, the decision is made by a branch manager or above. If the decision is to effect the adverse action or to modify it to a lesser penalty, the employee's appeal rights, including Merit Systems Protection Board (MSPB) appeal rights, if applicable, are stated.

651.76 Duty Status

The employee, unless otherwise provided in 651.77, remains in a pay status, either on the job or on administrative leave, at the option of the employer, during the notice period. The notice period must be at least 30 calendar days, unless covered by 651.77. Discharged or indefinitely suspended employees who appeal remain on the rolls in a nonpay, nonduty status until the disposition of the case through the chosen appeal procedures. Normally, disposition of the case would be a final decision from the MSPB or a Step I decision in an administrative 650 appeal. In cases where the MSPB has mitigated an adverse action in an initial decision and the Postal Service files an appeal, the employee's status will be handled in accordance with MSPB regulations regarding interim relief.

651.77 Exceptions to Thirty-Day Notice

When there is reasonable cause to believe an employee is guilty of a crime for which a sentence of imprisonment may be imposed, the advance notice before effecting the adverse action may be reduced to no less than 7 calendar days. At the expiration of the reduced notice period, the decision is issued at once. If the decision is to suspend the employee indefinitely, the individual remains on the rolls in a nonpay, nonduty status pending a final decision or until the suspension is otherwise terminated. If the decision is to remove the employee, the individual remains on the rolls only if a timely appeal is filed.

652 Appeal Procedures

652.1 Scope

Part 652 establishes appeal procedures for employees not subject to the provisions of a collective bargaining agreement. These procedures do not:

a. Deprive an employee of the right to a remedy for an allegation of discrimination through equal employment opportunity procedures or

b. Deprive a preference eligible or other entitled employee of the right to appeal an adverse action to the MSPB. When MSPB rights are exercised, the employee waives access to the appeal procedures in 652.2.

652.2 Appeal of Adverse Actions

652.21 Coverage

Upon receipt of a letter of decision ordering an adverse action, the following employees may appeal:

a. All nonprobationary EAS and PCES Level I employees and all employees of the Office of Inspector General.

b. EAS, PCES Level I, and Office of Inspector General employees who have completed a minimum of 12 months of combined service, without a break of a workday, in positions in the same line of work in the Civil Service and the Postal Service — unless any part of this service followed a temporary appointment in the competitive service with a definite time limitation.

652.22 Exclusion

Officers (PCES Level II) are not covered by these procedures.

652.23 Appeal to Step 1

652.231 Field Employees

These employees may submit a written request for a hearing, or waiver of a hearing, within 15 calendar days of receipt of a letter of decision on an adverse action. This appeal is made to the Step 1 official (Headquarters vice president Labor Relations or designee). A copy of the appeal is sent by the appellant to the official taking the action, who forwards the case file to the Step 1 official.

652.232 Headquarters, Headquarters Field Units, Inspection Service, and Office of Inspector General Employees

These employees may submit a written request for a hearing, or waiver of a hearing, to the Step 1 official (vice presidents, chief inspector, inspector general, or designees) within 15 calendar days of receipt of a letter of decision on an adverse action. A copy is sent by the appellant to the official taking the action, who forwards the file to the Step 1 official.

652.233 Exceptions

In cases where a vice president or other officer reporting directly to the postmaster general (PMG) is the deciding official, the PMG or designee is the sole appellate official. These exceptions apply to both 652.231 and 652.232. In cases in the Office of Inspector General where an assistant inspector general or the deputy inspector general is the deciding official, the inspector general, or designee, is the sole appellate official.

652.24 Hearings

652.241 Action If No Hearing Requested

If the appellant does not request a hearing, the Step 1 official determines whether the issues on appeal can be decided on the record and on written submissions by the appellant and management. If the issues on appeal can be decided on the record and on written submissions, the Step 1 official will issue a final decision letter within 21 calendar days of receipt of the Step 1 appeal. If the appeal cannot be judged fairly without a hearing, the Step 1 official arranges for a hearing to be scheduled as described in 652.242.

652.242 Action When Hearing Requested

a. If the appellant requests a hearing, a neutral hearing officer is assigned by the Step 1 official within 10 calendar days of receipt of a request for a hearing. The hearing is held as soon as possible, but no later than 75 calendar days from the date the hearing officer is assigned. The hearing is usually conducted at the installation or office where the appellant is located. The hearing officer will provide the parties notice of the hearing schedule as soon as possible but in no event shall the employee receive less than 14 calendar days' notice of the hearing.

b. Before the hearing, both management and the appellant will advise the hearing officer of their choice of representative witnesses and the nature of their testimony. All relevant documents and witness information, not already exchanged, will be exchanged between both parties as directed by the hearing officer.

c. Conduct of the hearing is informal but consistent with the orderly presentation of the case. Testimony is given under oath or affirmation. While legal rules of evidence do not apply, testimony and evidence are held within reasonable bounds of relevancy. The appellant and the employer have the right (1) to be present at the hearing, (2) to be represented, (3) to present evidence and witnesses, and (4) to cross-examine the other party's witnesses. The appellant, if in a duty status, and his or her representative, if a postal employee in a duty status, are granted a reasonable amount of official time to prepare for the hearing. The appellant may choose self-representation.

652.243 **Management Obligation for Witnesses**

Management has an obligation to make available witnesses who are postal employees and approved by the hearing officer as having relevant testimony, unless it is administratively impractical to do so. In these cases, witnesses may be required by the hearing officer to answer written questions or testify via a alternative means.

652.244 **Workhours Compensation**

Postal Service employees are compensated for any straight-time hours spent at the hearing that are part of their regularly scheduled workday if they are in a duty status at the time of the hearing. These employees include the appellant, the appellant's representative, and approved witnesses. Witnesses are not present at the hearing except when testifying, unless they are also acting as a representative. Only one Postal Service employee acting as a representative of the appellant will be compensated by the Postal Service.

652.245 **Noninterference Rule**

The appellant, representative, and witnesses shall not be subject to restraint, interference, coercion, discrimination, or reprisal.

652.246 **Transcript**

Normally, a court reporter or other qualified person will make a written transcript of the hearing proceedings. The hearing officer will arrange for the transcription. The office or installation initiating the adverse action will pay all costs of the transcription. If a written transcript cannot be obtained because of geographical remoteness or other unusual circumstances, an exception to the procedures must be authorized in advance by the Step 1 official.

652.247 **Attorney Fees**

Attorney fees are not applicable to appeals covered in 650.

652.25 Post Hearing

652.251 **Hearing Officer Action**

The hearing officer prepares a proposed decision to include findings of fact and a determination whether the charge(s) is/are sustained. The hearing officer forwards the proposed decision, the transcript of the hearing, and all other records regarding the appeal to the Step 1 official within 30 calendar days following the hearing.

652.252 **Step 1 Official Action**

Upon receipt of the hearing officer's proposed decision, the Step 1 official reviews it and the case file to determine if the hearing officer's proposed

decision will be accepted or rejected. The Step 1 official will determine if the hearing officer's proposed decision is supported by the facts of the case; is in accordance with postal regulations or with postal policy; and, in Office of Inspector General cases, complies with Office of Inspector General policy. If the Step 1 official determines the hearing officer's proposed decision is inconsistent with the facts of the case or is not in accordance with postal regulations or with postal policy and/or Office of Inspector General policy as applicable, the Step 1 official may reject the hearing officer's proposed decision and issue a final decision which is in accordance with the aforementioned criteria. The Step 1 official will issue a final decision letter either accepting or rejecting the hearing officer's proposed decision within 21 calendar days of receipt of the file. If the hearing officer's proposed decision is rejected by the Step 1 official, the final decision letter will provide explanations for rejecting of the hearing officer's proposed decision. The decision of the Step 1 official is the final decision, and there are no further appeal rights. The final decision letter will be transmitted to the employee with a copy to the employing office for any necessary implementation. A copy of the written transcript of the hearing will be enclosed with the final decision.

652.3 Appeal of Letters of Warning in Lieu of Time-off Suspensions and/or Time-off Suspensions for Office of Inspector General Employees

The employee may appeal the letter of decision in writing within 15 calendar days of receipt. If the employee is assigned to Headquarters or a Headquarters field unit or is in the Inspection Service, or if an area vice president is the deciding official in an action taken, the request is directed to the vice president of Labor Relations at the address shown in the letter of decision. If the employee is assigned to the Office of Inspector General, the request is to be directed to the Inspector General, or designee, at the address shown in the letter of decision. If the employee is assigned to a field installation, the request is directed to the area Human Resources manager at the address shown in the letter of decision. The review of the appeal is based solely on the record, and there is no opportunity for the employee or his or her representative to meet with the reviewing official. The reviewing official issues a written decision, and there is no further right of administrative appeal.

652.4 Other Appealable Actions

652.41 Coverage

Employees in EAS-17 and below and Office of Inspector General Bands A, B, and C employees, regardless of length of service, may appeal letters of warning, emergency placement in a nonduty status, and other matters not covered by 652.2 by using the procedures in 652.42 through 652.44.

PCES Level I and EAS-18 and above employees and Office of Inspector General Band 1 and above employees have access to these procedures only to appeal discipline in the nature of a letter of warning and emergency placement in a nonduty status.

652.42 Step A

An employee or representative states the appeal in writing to the immediate supervisor within 10 calendar days of learning the appeal's cause. The employee or representative has the opportunity to discuss the appeal with the supervisor during this period. The supervisor gives a written decision within 5 calendar days after receipt of appeal. If this timeframe is impossible because of extenuating circumstances, the decision must explain the reason(s) for the delay.

652.43 Step B

A field employee or representative may submit a written appeal to the installation head within 7 calendar days after receipt of the Step A decision. (If the installation head is the immediate supervisor, appeals are made to the next higher level of management.) A Headquarters, Headquarters field unit, Inspection Service, or Office of Inspector General employee or representative may appeal within the same time limits to the next higher level of management (superior to the supervisor), at minimum a manager or above. The appeal must include the employee's name, title, grade, location, nature of appeal, and basis for appeal. Upon receipt of the appeal, the Step B official discusses the appeal with the employee or representative and renders a decision in writing within 10 calendar days after receipt of the appeal. Usually this decision is final.

652.44 Review

The employee or representative may request a review of the Step B decision. The request of an employee administratively responsible to the area vice president is directed to the area Human Resources manager. The request of a Headquarters, Headquarters field unit, or Inspection Service employee is sent to the vice president of Labor Relations, or designee, with a copy to the Step B official, who forwards the file to the reviewing official. If the employee is assigned to the Office of Inspector General, the request for review is to be directed to the Inspector General or designee. The request is in writing and gives specific reasons why the employee believes the Step B decision should be reviewed. The request is made within 15 calendar days from receipt of the Step B decision. The reviewing official replies in writing and states the disposition of the employee's request. This reply is final.

652.5 Alternative Dispute Resolution

The Postal Service supports the use of the Alternative Dispute Resolution (ADR) process of mediation to address employee appeals relating to nonbargaining disciplinary actions. Participation in mediation by an appellant is voluntary.

652.51 Exceptions

Mediation may not be appropriate in cases where the charges involve egregious misconduct, criminal activity, repeated misconduct, inability to perform, and other conduct as determined by the Postal Service, or in the case of Office of Inspector General employees, the Office of Inspector General. Additionally, mediation may not be appropriate where the appeal concerns issues beyond the control of the Postal Service, or in the case of

Office of Inspector General employees, the Office of Inspector General, such as the denial of Workers' Compensation benefits, retirement eligibility determinations, and similar matters adjudicated by other agencies. The determination of whether to grant mediation in a particular case is within the discretion of the Postal Service, or in the case of Office of Inspector General employees, the Office of Inspector General, and is not appealable.

652.52 Mediation

Mediation programs will be implemented by area offices under guidelines issued by the manager, National EEO Compliance and Appeals Programs. Mediation programs will be implemented by the Office of Workplace Enhancement at the Office of Inspector General.

652.53 Mediation for Letters of Warning in Lieu of Time-off Suspensions and/or for Time-off Suspensions

An employee issued a proposed letter of warning in lieu of a time-off suspension, or a time-off suspension in Office of Inspector General cases, may request mediation as an alternative to his/her right to respond to the deciding official as outlined in 651.64. If no resolution is reached between the employee and the proposing official as a result of the mediation, the employee may submit written responses to the proposed letter of warning in lieu of a time-off suspension within 10 calendar days of the mediation to the deciding official. The deciding official will issue a letter of decision regarding the proposed action in accordance with 651.65. The employee may appeal the decision pursuant to 652.3.

652.54 Mediation for Adverse Actions

An employee issued a written notice of proposed adverse action may request mediation as an alternative to the traditional written and/or verbal response to the deciding official as outlined in 651.74. If no resolution is reached between the employee and the proposing official as a result of the mediation, the employee may submit written responses to the proposed adverse action within 10 calendar days of the mediation to the deciding official. The deciding official will issue a letter of decision regarding the proposed action in accordance with 651.75. The employee may appeal the decision pursuant to the provisions outlined in 652.2, which will be outlined in the letter.

660 Conduct

661 Statutory Provisions

661.1 Laws Referenced in This Manual

The laws mentioned in this manual are listed for information only. Nothing in this manual constitutes an interpretation or construction of these laws which might be construed as binding the United States Postal Service or the United States.

Failure to mention a statute does not excuse any person from complying with the statute.

661.2 Application to Postal Employees

In addition to the statutes listed in Title 5, Code of Federal Regulations (CFR), Part 2635.901-902, the following statutes and regulations are applicable to all employees in the Postal Service.

a. Prohibition against proscribed political activities (Title 5, United States Code (U.S.C.), subchapter III of chapter 73, and 18 U.S.C. 602, 603, 607, and 608).

b. Prohibition against appointing or promoting a relative, or advocating such an appointment or promotion (5 U.S.C. 3110).

c. Prohibition against disloyalty and striking (5 U.S.C. 7311; 18 U.S.C. 1918).

d. Prohibition against bribery, graft, and conflicts of interest (18 U.S.C. 201, 203, 205, 208, and 209).

e. Prohibition against acting as the agent for a foreign principal registered under the Foreign Agents Registration Act (18 U.S.C. 219).

f. Prohibition against unauthorized taking or use of documents relating to claims against or by the government (18 U.S.C. 285).

g. Prohibition against postal employees becoming interested in any contract for carrying the mail (18 U.S.C. 440).

h. Prohibition against counterfeiting and forging transportation requests (18 U.S.C. 508).

i. Prohibition against deprivation of employment or other benefit for political activity (18 U.S.C. 601).

j. Prohibition against:

(1) Embezzlement of government money or property (18 U.S.C. 641).

(2) Failing to account for public money (18 U.S.C. 643).

(3) Embezzlement of money or property of another person in the possession of an employee by reason of his or her employment (18 U.S.C. 641).

k. Prohibition against:

(1) Disclosure of classified information (18 U.S.C. 798).

(2) Disclosure of confidential information (18 U.S.C. 1905).

l. Prohibition against fraud or false statements in a government matter (18 U.S.C. 1001).

m. Prohibition against participation in lottery enterprises (18 U.S.C. 1303).

n. Prohibition against carriage of mail contrary to law (18 U.S.C. 1693).

o. Prohibition against desertion of mail (18 U.S.C. 1700).

p. Prohibition against obstruction of correspondence (18 U.S.C. 1702).

q. Prohibition against delay or destruction of mail or newspapers (18 U.S.C. 1703).

r. Prohibition against theft of property (18 U.S.C. 1707).

s. Prohibition against theft of mail (18 U.S.C. 1709).

t. Prohibition against theft of newspapers (18 U.S.C. 1710).

u. Prohibition against misappropriation of Postal Service funds (18 U.S.C. 1711).

v. Prohibition against falsification of postal returns (18 U.S.C. 1712).

w. Prohibition against improper issuance of money orders (18 U.S.C. 1713).

x. Prohibition against misuse of the franking privilege (18 U.S.C. 1719).

y. Prohibition against the unlawful sale or pledge of stamps (18 U.S.C. 1721).

z. Prohibition against unlawful collection of postage (18 U.S.C. 1726).

aa. Prohibition against improper approval of bond or sureties (18 U.S.C. 1732).

ab. Prohibition against lobbying with appropriated funds (18 U.S.C. 1913).

ac. Prohibition against the use of deceit in an examination or personnel action in connection with government employment (18 U.S.C. 1917).

ad. Prohibition against mutilating or destroying a public record (18 U.S.C. 2071).

ae. Prohibition against disclosure of lists of names and addresses (39 U.S.C. 412).

af. Prohibition against making or receiving political recommendations for appointment or promotion (39 U.S.C. 1002).

ag. Prohibition against receipt of unauthorized fees (39 U.S.C. 1009).

ah. rohibition against opening First-Class Mail® (39 U.S.C. 3623).

ai. Oath of office required for all postal employees (39 U.S.C. 1011).

aj. Privacy Act of 1974 (5 U.S.C. 552a).

662 Federal Standards of Ethical Conduct

662.1 Publication

To ensure that every citizen can have complete confidence in the integrity of the federal government, each federal employee, including each postal employee, must respect and adhere to the principles of ethical conduct set forth in 5 CFR 2635, 5 CFR 7001, and 39 CFR 447.

Note: The *Code of Federal Regulations* can be accessed at *http://www.gpoaccess.gov/cfr/*.

662.11 Ethics Advice

Employees who have questions about the application of the ethics regulations to particular situations should seek advice from an agency ethics official. Disciplinary action for violating these regulations will not be taken against an employee who has engaged in conduct in good faith reliance upon the advice of an agency ethics official, provided that the employee has made full disclosure of all relevant circumstances in seeking such advice. **Disclosures made by an employee to an agency ethics official are not protected by the attorney-client privilege.** An agency ethics official is required by 28 U.S.C. 535 to report any information he or she receives relating to a violation of the criminal code (Title 18 U.S.C.).

662.12 Ethics Officials

Employees who wish to obtain ethics advice in accordance with 662.11 above must obtain that advice from one of the following agency ethics officials or their designees: the Postal Service general counsel, the chief counsel for ethics and federal requirements, the managing counsel for the civil practice section, or the managing counsel for each field legal office. Inspection Service employees may also seek routine ethics advice from the Inspector in Charge, Office of Counsel, or designee. Office of Inspector General employees may also seek routine ethics advice from the Office of Inspector General counsel or designee.

662.2 Financial Disclosure

Certain federal and postal employees are required by law to disclose their personal financial interests in order to ensure confidence in the integrity of the federal government. The federal regulations regarding financial disclosure are set forth in 5 CFR 2634. Specific instructions regarding the financial disclosure requirements of postal employees are contained in Management Instruction EL-660-97-1, *Financial Disclosure Report Procedures for the U.S. Postal Service,* January 30, 1997.

663 Participation in Political and Community Activities

663.1 Political Activities

663.11 General

663.111 Employees Included

With the exceptions noted in part 663.112, Postal Service employees are subject at all times to restrictions on their participation in political activities under the Hatch Act (5 U.S.C., subchapter III of chapter 73, and 18 U.S.C. 602, 603, and 607) and related regulations.

663.112 Employees Excluded

Postal employees who are employed on an irregular or occasional basis (e.g., experts and consultants, substitute rural carriers, or those on a per-diem basis), and those employees who are employed without compensation or on a when-actually-employed basis are subject to the restrictions mentioned in 663.111 only while in an active duty status and only for the entire 24 hours of a day of actual employment. Notwithstanding this paragraph, full-time employees in a leave status and part-time employees are fully subject to the restrictions of 663.111.

663.113 Nonpartisan Office

An employee may seek, accept, or hold a nonpartisan federal, state, or local office subject to the provisions of this Code and this section. A nonpartisan office is one filled as a result of a nonpartisan election. A nonpartisan election is an election in which none of the candidates to be nominated or elected represent a political party whose candidates for presidential elector received votes in the last preceding election held to select presidential electors.

663.114 **Employee Responsibility**

Example: An employee who wishes to seek, accept, or hold a nonpartisan federal, state, or local office is responsible for ascertaining:

a. Whether the office is nonpartisan within the definition in 663.113.

b. Whether federal, state, or local law permits a Postal Service employee to seek, accept, or hold the particular office.

c. Whether the duties of the office would result in a conflict with Postal Service employment.

d. Whether the discharge of the duties of the office would interfere with the acceptable performance of Postal Service duties or would interfere with the acceptable performance by other Postal Service employees of their respective duties. Employees may seek advice from one of the agency ethics officials listed in 662.12 or from the Office of Special Counsel (OSC) in making these determinations. The advisory service of the OSC can be reached at (800) 854-2824.

663.115 **Prohibition Against Conflict**

An employee is encouraged to seek advice from one of the agency ethics officials listed in 662.12 or from the OSC before taking any action to seek, accept, or hold a federal, state, or local office. If the employee assumes the duties of this nonpostal office and they interfere with the proper discharge of postal duties, either by that individual or by other postal employees, then the employee holding the nonpostal office must be advised by a superior to eliminate the interference. This can be accomplished either by resignation from the nonpostal office or some other appropriate manner. If the employee fails, refuses, or neglects to comply with this advice and the interference continues, that individual will be subject to disciplinary proceedings.

663.116 **Campaign While on Leave**

Employees, other than postmasters, district managers, or acting postmasters in a salary level of EAS-25 or higher, may be granted permission to campaign for a full-time state or local nonpartisan office while on annual leave or on authorized leave without pay during the campaign when:

a. The criteria in 663.114a and 663.114b are met.

b. The vice president of Area Operations determines that the employee's postal responsibilities are being conducted in a satisfactory manner and that the absence of the employee during the campaign period will not disrupt the operation of the facility where the person is employed.

Note: Requests must be submitted through the postmaster or other installation head to the vice president of Area Operations. An employee who is elected and takes such a full-time office may either be separated from the Postal Service or granted leave without pay.

A postmaster in salary level EAS-25 or higher, a district manager, or an acting postmaster in salary level EAS-25 or higher, may not be authorized to take annual leave or leave without pay for the purpose of campaigning for a full-time state or local nonpartisan office.

663.12 Additional Prohibited Political Activities

In addition to the restrictions on political activities referred to in 663.111, an employee may not:

a. Display a political picture or sticker on property owned or leased by the Postal Service. The employee is not forbidden, however, from displaying a picture, including a personally autographed picture of a political figure, in an office or place of work if it contains no language in the nature of political campaigning.

b. Wear a political badge or button while in uniform or while on duty.

c. Display a political picture or sticker on a private vehicle while that vehicle is being used for official purposes.

663.13 Investigation and Enforcement

The independent Office of Special Counsel investigates allegations of political activity in violation of the Hatch Act by Postal Service employees. The Merit Systems Protection Board adjudicates such allegations.

663.2 Community Affairs

663.21 General

An employee is permitted to participate in community affairs to the extent consistent with the proper performance of postal duties and in compliance with applicable laws and regulations. Nothing in this section prevents an employee from serving as an official of a religious, fraternal, or civil nonpolitical organization that is supported by dues or contributions from its own members, or from participating in the nonpartisan activities of a civic, community, social, labor, professional, or other similar organization in his or her personal capacity.

663.3 Nonparticipation in Segregated Meetings

663.31 Prohibition Against Participation

Postal officials may not participate in conferences or speak before audiences where any racial or ethnic group or members of either sex have been purposely segregated or excluded from the meeting, from any of the facilities, from the conference, or from membership in the group. When requests to speak or participate are received under circumstances where discrimination may be practiced, the invited official should inquire as to the practices of the group before acceptance.

663.32 Prohibition Against Sponsorship

The Postal Service may not sponsor, support, or financially assist, directly or indirectly, any conference, convention, or meeting held where participants are segregated or are treated unequally on the basis of prohibited discrimination.

663.33 Exceptions

If the Postal Service civil rights program will be better served by permitting an exception to this policy in a particular case, the area manager of Human Resources must be advised prior to making any commitments and requested to provide a confirmation of a waiver of the policy in 663.31.

664 Bribery, Undue Influence, or Coercion

An employee must report immediately to the Office of Inspector General:

a. Any instance in which a person either within or outside the Postal Service uses or attempts to use bribery, undue influence, or coercion to induce or attempt to induce the employee to act or neglect to act in regard to official responsibilities.

b. Any information that causes the employee to believe that there has been a violation of a federal criminal statute or any law or regulation directly or indirectly related to the responsibility of the Postal Service.

Note: A copy of the report must be sent in a sealed envelope clearly marked "Restricted Information—To Be Opened by the Addressee Only," to this address:

US POSTAL SERVICE
OFFICE OF INSPECTOR GENERAL
HOTLINE
1735 N LYNN ST 10TH FL
ARLINGTON VA 22209-2020

665 Postal Service Standards of Conduct

665.1 General Expectations

665.11 Loyalty

Employees are expected to be loyal to the United States government and uphold the policies and regulations of the Postal Service.

665.12 Performance of Public Duties

Employees are expected to serve on juries and to act as witnesses when summoned by official sources.

665.13 Discharge of Duties

Employees are expected to discharge their assigned duties conscientiously and effectively.

665.14 Reporting Violations

Allegations of violations of postal laws by postal employees, including mail theft, must be reported immediately to the Office of Inspector General.

665.15 Obedience to Orders

Employees must obey the instructions of their supervisors. If an employee has reason to question the propriety of a supervisor's order, the individual must nevertheless carry out the order and may immediately file a protest in writing to the official in charge of the installation or may appeal through official channels.

665.16 Behavior and Personal Habits

Employees are expected to conduct themselves during and outside of working hours in a manner that reflects favorably upon the Postal Service. Although it is not the policy of the Postal Service to interfere with the private lives of employees, it does require that postal employees be honest, reliable, trustworthy, courteous, and of good character and reputation. The Federal

Standards of Ethical Conduct referenced in 662.1 also contain regulations governing the off-duty behavior of postal employees. Employees must not engage in criminal, dishonest, notoriously disgraceful, immoral, or other conduct prejudicial to the Postal Service. Conviction for a violation of any criminal statute may be grounds for disciplinary action against an employee, including removal of the employee, in addition to any other penalty imposed pursuant to statute. Employees are expected to maintain harmonious working relationships and not to do anything that would contribute to an unpleasant working environment.

665.17 Reporting Requirements for Sex Offenders

An employee who is required by the law of any jurisdiction to register as a sex offender must report in writing that he or she is subject to this requirement, as follows:

a. Any employee who is not an Area or Headquarters employee must make their report to the District Manager of Human Resources; Area employees must make their report to their Area Manager of Human Resources; and Headquarters employees must make their report to the Headquarters Manager, Corporate Personnel.

b. An employee who first registers as a sex offender on or after May 24, 2007, must make this report to management within 10 calendar days after the employee first registers as a sex offender.

c. An employee who registered as a sex offender at any time before May 24, 2007, must make this report to management no later than June 4, 2007.

d. If, after making his or her first report to management, the employee is required to register as a sex offender in a different jurisdiction, or to register anywhere because the employee has committed an additional offense, the employee must inform management within 10 calendar days after so registering.

665.2 Prohibited Conduct

665.21 Incomplete Mail Disposition

It is a criminal act for anyone who has taken charge of any mail to quit voluntarily or desert the mail before making proper disposition of the mail according to 18 U.S.C. 1700.

665.22 Unofficial Recommendations

Employees must not recommend or suggest the employment of any person offering services as a consultant, agent, attorney, expediter, or the like, for the purpose of assisting in any negotiation, transaction, or other business with the Postal Service unless required to do so as part of their official duties.

665.23 Discrimination

Employees acting in an official capacity must not directly or indirectly authorize, permit, or participate in any action, event, or course of conduct that subjects any person to discrimination, or results in any person being discriminated against on the basis of race, color, religion, sex, national origin, age (40+), physical or mental disability, marital or parental status, sexual

orientation, or any other nonmerit factor, or that subjects any person to reprisal for prior involvement in EEO activity.

665.24 Violent and/or Threatening Behavior

The Postal Service is committed to the principle that all employees have a basic right to a safe and humane working environment. In order to ensure this right, it is the unequivocal policy of the Postal Service that there must be no tolerance of violence or threats of violence by anyone at any level of the Postal Service. Similarly, there must be no tolerance of harassment, intimidation, threats, or bullying by anyone at any level. Violation of this policy may result in disciplinary action, including removal from the Postal Service.

665.25 Illegal Drug Sale, Use, or Possession

The Postal Service will not tolerate the sale, possession, or use of illegal drugs, or the abuse of legal drugs while on duty or on postal premises. Employees found to be engaged in these activities are subject to discipline, including removal and/or criminal prosecution where appropriate.

665.26 Intoxicating Beverages

Employees must not drink beer, wine, or other intoxicating beverages while on duty; begin work or return to duty intoxicated; or drink intoxicating beverages in a public place while in uniform. Unless the postmaster general specifically authorizes an exception (for example, an official reception), employees must not have or bring any container of beer, wine, or other intoxicating beverage into any Postal Service facility or premises, whether or not the container has been opened. Employees found to be violating this policy may be subject to disciplinary action.

665.27 Gambling

Employees must not participate in any gambling activity while on duty or while on property owned or leased by the Postal Service or the United States. This prohibition includes the operation of any gambling device, conducting a game for money or property, or selling or purchasing a numbers slip or ticket.

Note: This section does not prohibit participation in activities specified here if participation is necessitated by an employee's law enforcement duties, or if participation is in accordance with Executive Order No. 10927, relating to agency-approved solicitations, or in accordance with the Randolph-Sheppard Act, when approved by postal management.

665.3 Cooperation in Investigations

Employees must cooperate in any postal investigation, including Office of Inspector General investigations.

665.4 Attendance

665.41 Requirement of Regular Attendance

Employees are required to be regular in attendance. Failure to be regular in attendance may result in disciplinary action, including removal from the Postal Service.

665.42 Absence Without Permission

Employees who fail to report for duty on scheduled days, including Saturdays, Sundays, and holidays, are considered absent without leave except in cases where actual emergencies prevent them from obtaining permission in advance. In emergencies, the supervisor or proper official must be notified of the inability to report as soon as possible. Satisfactory evidence of the emergency must be furnished later. An employee who is absent without permission or who fails to provide satisfactory evidence that an actual emergency existed will be placed in a nonpay status for the period of such absence. The absence may be the basis for disciplinary action. However, once the employee provides management with notice of the need for leave in accordance with Family Medical Leave Act (FMLA)-required time frames, and the absence is determined to be FMLA protected, the employer must change the AWOL to approved FMLA-LWOP, and delete the AWOL status from the record.

665.43 Tardiness

Any employee failing to report at his or her scheduled time in installations where time recorders are not used is considered tardy. Tardiness in installations equipped with time recorders is defined as any deviation from schedule.

665.44 Falsification in Recording Time

Recording the time for another employee constitutes falsification of a report. Any employee knowingly involved in such a procedure is subject to removal or other discipline. Failure of a supervisor to report known late arrivals is regarded as condoning falsification. These practices may also result in criminal prosecution.

665.5 Furnishing Address

Employees must keep the installation head informed of their current mailing addresses. Any change in mailing addresses must be reported to the installation head on PS Form 1216, *Employee's Current Mailing Address,* through "Self Service" on the Postal Service Blue Page, or through USPS approved methods including *PostalEase.*

665.6 Disciplinary Action

Postal officials may take appropriate disciplinary measures to correct violations of the regulations referred to in 665.

666 Prohibited Personnel Practices

666.1 Restrictions

666.11 Applicability of Restrictions

The following restrictions apply to any Postal Service employee who has authority to take, direct others to take, recommend, or approve any personnel action with respect to any employee, eligible, or applicant.

666.12 Prohibited Discrimination

The following provisions apply:

a. *Political Affiliation.* No discrimination may be exercised, threatened, or promised by any person or in favor of any employee, eligible, or applicant because of political affiliation except as may be authorized or required by law.

b. *Individual Status.* No person may be discriminated against because of race, color, religion, sex, age (40+), national origin, disability, reprisal based on protected activity, marital or parental status, or sexual orientation in connection with examination, appointment, reappointment, reinstatement, reemployment, promotion, transfer, demotion, removal, or retirement.

c. *Conduct That Does Not Adversely Impact Performance.* No person may be discriminated for or against on the basis of conduct that does not adversely impact that person's performance or the performance of others. In determining suitability or fitness of that person, any conviction for any crime under the laws of any state, the District of Columbia, or of the United States may be taken into account.

666.13 Nepotism

See provision applicable to nepotism in Handbook EL-312, *Employment and Placement.*

666.14 Improper Employment and Placement Practices

Deceitfully or willfully obstructing or improving the prospects of any person competing for a position by granting a preference or advantage not authorized by law, rule, or regulation (including defining the scope or manner of competition or the requirements for a position), or by influencing anyone to withdraw from competition for a position, is prohibited.

666.15 Improper Recommendations

Soliciting or considering any recommendation or statement, oral or written, with respect to any individual who requests or is under consideration for any personnel action is prohibited, unless such recommendation or statement is based on the personal knowledge or records of the person furnishing it and consists of:

a. An evaluation of the work performance, ability, aptitude, or general qualification of such individual.

b. An evaluation of the character, loyalty, or suitability of such individual.

666.16 Coercion of Political Activity

Coercion of the political activity of any person (including the providing of any political contribution or service), or the taking of any action as a reprisal for the refusal of any person to engage in such political activity, is prohibited.

666.17 Reprisal for Exercising Appeal Rights

Taking or failing to take any personnel action as a reprisal for the exercise of any appeal right granted by a law, rule, or regulation is prohibited.

666.18 Reprisal for Release of Information

No one may take or fail to take a personnel action, or threaten to do so, with respect to any employee or applicant for employment because the employee or applicant discloses information that he or she believes evidences:

a. A violation of any law, rule, or regulation, or

b. A gross waste of funds, gross mismanagement, an abuse of authority, or a substantial and specific danger to public health or safety.

Disclosure of information that is specifically prohibited by law does not carry the protection described above. However, no disclosure under a. and b. above is prohibited by law if made to the Inspector General of the Postal Service. There can be no reprisal for disclosures to the Inspector General unless the complaint was made or the information disclosed with the knowledge that it was false or with willful disregard for its truth or falsity.

666.2 Remedies

666.21 General

Depending on the status of the employee complaining and the action taken against him or her, complaints that one or more of the restrictions in 666.1 have been violated may be brought through the following appeal procedures.

666.22 Equal Employment Opportunity Complaint Procedures

Any employee or applicant may file a complaint alleging discrimination based on race, color, religion, sex, age (40+), national origin, disability, or alleging reprisal based on protected EEO activity within 45 days of the event believed to be discriminatory. For details, see Publication 133, *What You Need to Know About EEO.*

666.23 Adverse Action Appeals to the Merit Systems Protection Board

All employees eligible for veterans' preference and certain other nonbargaining unit employees with one year of current continuous service in the same or similar position may appeal removals, reductions in grade or pay, suspensions of more than 14 days, or furloughs of 30 days or less. The appeal must be made to the Merit Systems Protection Board (MSPB) within 30 days of the effective date of the action. Preference eligible employees may also appeal reduction-in-force (RIF) actions to the MSPB.

666.24 Grievance Procedures

Employees covered by a collective bargaining agreement may file grievances regarding wages, hours, and working conditions in accordance with the provisions of the applicable agreement. Nonbargaining unit employees at EAS-17 and below may use the procedure in ELM 652.4 to appeal matters other than suspensions or adverse actions. Nonbargaining unit employees at EAS-18 and above may use these procedures to appeal letters of warning and emergency placement in a nonduty status.

666.25 Nonbargaining Unit Appeals Procedures

Non-probationary employees not subject to the provisions of a collective bargaining agreement may appeal removals, reductions in grade or pay, and suspensions or furloughs of 30 days or less under the provisions of Part 652.2. Letters of warning in lieu of time-off suspensions may be appealed under the provisions contained in Part 652.3.

666.26 Other Appeal Procedures for Prohibited Personnel Practices

Allegations of violations of the provisions of 666 that cannot be brought through any other procedure may be sent to the following address:

VICE PRESIDENT LABOR RELATIONS
UNITED STATES POSTAL SERVICE
475 L'ENFANT PLZ SW
WASHINGTON DC 20260-4100

Complaints filed with the vice president must be in writing and include as much specific information on the alleged violation as possible. The complaint is referred to the proper official. Allegations of violations of law are referred to the Inspection Service and/or the Office of Inspector General. The complainant will be informed in writing of the disposition of the complaint.

666.3 Whistleblower Protection

666.31 Allegations of reprisal for the release of information as set forth in ELM 666.18, raised by any Postal Service employee, should be addressed to:

UNITED STATES POSTAL SERVICE OFFICE OF
INSPECTOR GENERAL HOTLINE
1735 N LYNN ST
ARLINGTON VA 22209-2005

Allegations of reprisal received from Office of Inspector General employees will be referred to an outside organization or individual for investigation. In such instances, the outside organization or individual will act in place of the Office of Inspector General, and the Office of Inspector General will act in place of Postal Service management, regarding the application of the procedures set forth in this section.

666.32 Upon receipt of the allegations, the Office of Inspector General will conduct a preliminary review of the allegations. If the Office of Inspector General determines that the allegations warrant further review, a questionnaire may be sent to the complainant that must be completed and returned to the Office of Inspector General within 30 calendar days. The Office of Inspector General will review the completed questionnaire to determine whether it will investigate the allegations or decline further action and, instead, refer the allegations to Postal Service management.

If the Office of Inspector General declines to review allegations or terminates an investigation, it shall prepare and transmit to the complainant a written statement notifying the complainant of:

a. Its decision not to review allegations or to terminate an investigation; and,

b. The reasons for declining to review allegations or terminating an investigation.

666.33 In addition to investigations of allegations submitted to the Office of Inspector General under ELM 666.31, the Office of Inspector General may, in the absence of an allegation, conduct an investigation for the purpose of determining whether there are reasonable grounds to believe that reprisal for disclosures protected by ELM 666.18 has occurred.

666.34 The Office of Inspector General may recommend to the Vice President, Labor Relations, for purposes of ELM 666.3, a stay of any pending personnel action until the conclusion of the investigation and the issuance of a report if the Office of Inspector General determines that there are reasonable grounds to believe that the personnel action was taken, as a result of a release of information as set forth in ELM 666.18. The Office of Inspector General shall provide to the Vice President, Labor Relations, an interim report explaining the nature of the allegations of reprisal and the reasons supporting the Office of Inspector General's recommendation that a stay should be ordered.

666.341 The Vice President, Labor Relations, or designee, shall, within three business days of the request, order the stay unless he/she determines that, under the facts and circumstances involved, such a stay would be inappropriate.

666.342 A stay shall not be for a period in excess of 120 calendar days from the date granted and it may be terminated by the Vice President, Labor Relations at any time.

666.343 When the Vice President, Labor Relations, or designee, does not order the stay, he/she shall advise the Office of Inspector General of his/her decision within three business days of the receipt of the request for a stay.

666.344 Where the Vice President, Labor Relations does not order a stay, or where a stay has been ordered and it is subsequently terminated by the Vice President, Labor Relations, the Office of Inspector General may request that a Postal Service Administrative Law Judge order a stay of a personnel action for a period of 45 days from the date granted.

a. A stay will be granted if the Administrative Law Judge finds that there are reasonable grounds to believe that a personnel action was taken, or is to be taken, as a result of a release of information.

b. Unless denied, any stay under this subparagraph shall be granted within 3 calendar days (excluding Saturdays, Sundays, and legal holidays) after the date of the request for the stay by the Office of Inspector General.

c. A stay may be terminated by the Administrative Law Judge at any time, except that the Administrative Law Judge may not terminate a stay on his or her own motion or on the motion of the Postal Service, unless notice and opportunity for oral or written comments are first provided to the Office of Inspector General.

666.345 When a stay has been ordered, the Office of Inspector General shall notify the Vice President, Labor Relations in writing immediately if the Office of Inspector General terminates an investigation.

666.35 Except when the Office of Inspector General declines to investigate the complainant's allegations under ELM 666.32, no later than 120 days after the date of receiving complainant's completed questionnaire under ELM 666.32, the Office of Inspector General shall provide an investigative report to the Vice President, Labor Relations.

666.36 After receipt of the investigative report, the Vice President, Labor Relations, shall advise the Office of Inspector General in writing of the Postal Service's decision.

666.37 Where the Postal Service determines that no action is to be taken or, where the Office of Inspector General determines that the action taken by the Postal Service is not corrective, the complainant may appeal and obtain a hearing before a Postal Service Administrative Law Judge under the following conditions:

a. The complainant is a nonbargaining unit employee who does not have a right to appeal the matter to the Merit Systems Protection Board or through the hearing procedures set forth in ELM 652.2,

b. The appeal is only available for personnel actions as defined in ELM 669k, and,

c. The Office of Inspector General has found a prima facie case of reprisal for whistleblowing.

666.371 If the Administrative Law Judge finds that the Postal Service has established that it would have taken the same personnel action in the absence of a disclosure under ELM 668.1, no corrective action will be ordered.

666.372 Where the Administrative Law Judge orders corrective action, such corrective action will place the complainant, as nearly as possible, in the position the individual would have been in had the improper personnel action not occurred.

666.38 Complainants who raise an affirmative defense of whistleblower reprisal during the appeals process for adverse actions set forth in ELM 652.23 and the claim of whistleblower reprisal is not sustained, may file a written request within 30 calendar days from the date of issuance of the Step 1 decision for review of the whistleblower reprisal determination by a Postal Service Administrative Law Judge under the following conditions:

a. The complainant is a nonbargaining unit employee who does not have a right to appeal the matter to the Merit Systems Protection Board,

b. The complainant has made the allegation of whistleblower reprisal to the Office of Inspector General and the Office of Inspector General has found a prima facie case of reprisal for whistleblowing, and,

c. There will be no hearing. The Administrative Law Judge's review will be limited to the record of the appeal.

The decision on the allegation of whistleblower reprisal of the Step 1 official must be affirmed unless the Administrative Law Judge finds that it is 1) arbitrary, capricious, an abuse of discretion, or otherwise not in accordance with law; 2) obtained without procedure required by laws, rule, or regulation having been followed; or 3) unsupported by substantial evidence.

When the Administrative Law Judge does not affirm the decision of the Step 1 official, the Administrative Law Judge shall remand the appeal to the Step 1 official for issuance of a new decision on the merits. The Step 1 official shall be bound by the Administrative Law Judge's finding regarding the allegation of whistleblower reprisal.

667 Service Matters

667.1 General Service Behavior

667.11 Compiling Directories

Employees may not compile or furnish restricted information for or otherwise assist publishers in compiling city directories for public use, nor request publishers to send free copies to them, nor accept any money or gratuity arising from publication of directories.

667.12 Engaging in Campaigns for Changes in Mail Service

Employees in active status must not engage in campaigns for or against changes in mail service. This regulation must not be construed to infringe on the rights to participate in labor organizations.

667.13 Paying for Exchange of Positions

It is unlawful for employees to give or receive payment, directly or indirectly, to affect an exchange of position in the same or different postal units, or any place in the public service. This offense is punishable by fine and imprisonment and disqualification from holding any office in the federal government.

667.14 Manufacture of Rural Mailboxes

Employees are prohibited from manufacturing or acting as the agent for a manufacturer of rural mailboxes.

667.15 Loitering

Carriers must not loiter or stop for unnecessary conversation on their routes. Employees must not linger about cases or racks after their tours of duty have ended or report at cases or racks before their tours are scheduled to begin.

667.16 Controversies With the Public

Employees must not engage in controversies with customers, railway employees, airline employees, or other members of the public while on duty or on federal property.

667.17 Obstructing the Mail

Title 18 U.S.C. 1701 provides penalties for persons who knowingly and willfully obstruct or retard the mail. The statute does not afford employees immunity from arrest for violations of law.

667.18 Giving Testimony or Campaigning for Additional Transportation Services

Postmasters and other field officials must not furnish postal information or testimonial statements or letters that purport to reflect postal needs to civic bodies or rail or air common carriers to be used in support of applications for new or additional common carrier service at a given community. Such requests for postal information must be referred to Headquarters. When there are justifiable reasons for recommending changes in transportation services, postmasters and other field officials must furnish a complete report to the proper official at Headquarters and then await specific instructions before engaging in any local activity or hearing relative to such changes.

667.2 Interception of Oral or Wire Communications by Postal Employees

667.21 Prohibition

During the course of activities related to postal employment, postal employees may not record, monitor, or otherwise intercept the oral or wire communications of any other person through the use of any electronic, mechanical, or other device, nor listen in on a telephone conversation, nor direct another to do so, unless all parties involved in the communication are made aware of and consent to such interception.

667.22 Exceptions

This prohibition does not apply to postal inspectors or Office of Inspector General investigators while acting in the course of their official duties, nor does it apply to authorized personnel conducting "Compliance and Monitoring" activities in accordance with Handbook AS-805, *Information Security.* All activity conducted in this area must be in accord with applicable federal statutes governing the interception of wire or oral communications by law enforcement officers.

Call monitoring programs may be established by postal management for legitimate business purposes, such as quality assurance and training. Call monitoring programs must comply with any applicable federal statutes and regulations.

667.23 Definitions

For the purposes of 667.2, the terms *oral communication, wire communication, intercept,* and *electronic, mechanical,* or *other device* have the meanings used in 18 U.S.C. 2510.

667.3 Records, Information, and Associated Processing Systems and Equipment

667.31 Purpose of Controls

Federal law and sound business practice require compliance with certain rules over the uses and protection of information and information processing resources owned by the Postal Service. These rules apply specifically to those types of Postal Service property emphasized in the definition at 669h. They are provided here for the information of current and former employees and also for use by management as a basis for ensuring compliance and taking disciplinary action, when appropriate. These rules supplement 667.18 and 667.21 referred to earlier in Section 661.2g.

667.32 Prohibited Disclosures

667.321 General

Employees may not furnish to members of the public any Postal Service records or copies of records, or information taken from Postal Service records, including information contained in a computer system, unless it is a part of the duties of their position to do so. Decisions to withhold or disclose records and information must be consistent with applicable laws, Executive Orders, and Postal Service regulations and directives. Accordingly, the responsible official must consult with the Chief Privacy Officer (CPO),

managing counsel for the appropriate field legal office, or the general counsel if there is any question as to the appropriate course of action.

667.322 **Personal Information**

Disclosing nonpublic information about an individual to another person or organization not entitled by Postal Service regulations to the information, without the signed authorization from the individual, is prohibited under penalty of law. See Handbook AS-353, *Guide to Privacy and the Freedom of Information Act.*

667.323 **Trade Information**

Disclosing any information not available for public disclosure as described under ASM 824 and Handbook AS-353, *Guide to Privacy and the Freedom of Information Act,* Chapter 3, to any unauthorized person or organization is prohibited under penalty of law.

667.33 Prohibited Uses

667.331 **Personal Use**

Use of Postal Service property (as defined in 669h) for personal enjoyment, private gain, or other unauthorized activity is prohibited, except that management at each Postal Service employment installation may permit employees to make limited personal use of postal office equipment, including information technology, (as defined in 669j). See Handbook AS-805, *Information Security,* Chapter 5, Acceptable Use.

667.332 **Damage**

Users will be held accountable for damage to postal property caused by negligence or intentionally destructive acts.

667.333 **Bypassing Security Controls**

Bypassing or attempting to bypass established security controls in violation of the *Administrative Support Manual* (ASM), Chapter 8, is prohibited.

667.334 **Sanctions for Misuse**

Use of postal equipment in violation or excess of 667.33 (Prohibited Uses) may result in limitations on future use, administrative action, disciplinary action, criminal penalty, and/or personal financial liability.

667.34 Protection Responsibilities

Employees must protect all information about individuals, customers, all other Restricted Information, and all National Security Information against unauthorized use and disclosure.

667.35 Reporting Violations

See 665.14.

668 Legal Assistance Provided by the Postal Service

668.1 Representation of Postal Service Employees by the Department of Justice in Civil and Criminal Cases

668.11 General

Under the following procedures, an employee (hereby defined to include present and former employees or their estates) may be provided

representation in civil proceedings and in state criminal proceedings in which they are sued, subpoenaed, or charged in their official capacity, when the actions for which representation is requested reasonably appear to have been performed within the scope of their employment, and providing representation would be in the interest of the United States.

A provision of the Federal Tort Claims Act prohibits suits against individual Government employees (including Postal Service employees) for loss, damage, or destruction of property or personal injury or death when caused by the negligent or wrongful act or omission of the employee while acting within the scope of his or her employment (Title 28, U.S.C. Section 2679).

668.12 Procedure for Requesting Legal Representation by the Department of Justice

668.121 Employee Responsibilities

An employee who believes he or she is entitled to representation by the Department of Justice in a proceeding must promptly submit a written request for that representation, together with all process and pleadings served, to the employee's installation head. Failure to submit a request promptly may prevent the processing necessary to obtain approval of the employee's request. In order to give a request proper consideration, it must contain a detailed statement from the employee of his or her knowledge of the subject matter of the proceeding and be accompanied by all pertinent documents. The Department of Justice asks that the letter requesting representation be addressed to the:

ASSISTANT ATTORNEY GENERAL CIVIL DIVISION
DEPARTMENT OF JUSTICE
WASHINGTON DC 20530-0001

but that the request letter not be sent directly to the Assistant Attorney General. The request is to be sent directly to the employee's installation head, who will in turn forward the request in accordance with 668.122. The Department of Justice requires that the request contain:

a. The date the employee was served.

b. The date on which the employee must respond or appear at a proceeding.

c. A statement that the employee has read the complaint; that all conduct related to the allegations in the complaint occurred within the scope of the employee's official duties; and that such conduct was done in the good faith belief that it was proper.

d. A statement describing in detail the employee's knowledge of the subject matter of the complaint. Failure to provide a detailed statement of the facts may prevent the processing necessary to obtain approval of the request.

668.122 Installation Head or Higher Level Official Responsibilities

The installation head or next higher level or other designated official must:

a. Add to the employee's request a separate statement indicating whether they believe the employee was acting within the scope of his or her employment at the time of the conduct which is the focus of the suit, subpoena, or citation.

b. Forward the request without delay to the managing counsel for the area in which the proceeding arose.

c. Submit a covering transmittal memorandum to the managing counsel containing a recommendation as to whether providing the employee representation would be in the best interests of the Postal Service and a statement detailing the installation head's or appropriate designee's knowledge of the subject matter of the case.

668.123 **Postal Inspection Service and Office of Inspector General**

Postal Inspection Service personnel and Office of Inspector General personnel should follow procedures established by the chief postal inspector and inspector general respectively to request representation by the Department of Justice rather than follow the procedures set forth in this section.

668.124 **Criteria for Granting Representation**

The Department of Justice provides representation at its discretion and only after it determines that the employee acted within the scope of his or her authority and that such representation would be in the best interest of the United States.

668.125 **Department of Justice Representation**

Upon determination by the Department of Justice that an attorney will represent an employee, the employee will be so notified, and will be provided information about the nature of Department of Justice representation.

668.2 Reimbursement of Employees for Legal Fees, Judgments, and Settlements

668.21 Legal Fees

An employee whose request under 668.12 has been denied for any reason may request reimbursement for legal fees incurred by his or her use of private counsel through the appropriate managing counsel.

668.22 Judgments and Settlements

An employee who has filed a request for representation under 668.12 may file a request for payment of any adverse judgment or settlement with the appropriate managing counsel.

668.23 Criteria for Reimbursement

Each request for reimbursement for legal fees, judgments, or settlements will be considered by the managing counsel on its individual merits after the case is concluded. Generally, reimbursement will be made if:

a. It is equitable and fair to do so.

b. The employee acted reasonably, within the scope of his or her authority, and not recklessly, in bad faith, or with obvious indifference to instructions.

c. The amount requested is reasonable, and reimbursement is deemed to be in the best interest of the Postal Service.

668.3 USPS Governors and Officers

668.31 Requests for Legal Representation

The provisions of 668 apply also to the governors and officers and inspector general of the Postal Service. If such persons are named as defendants and desire to be represented by the Department of Justice, they must submit their requests in accordance with 668.12 to the general counsel. However, the Chairman of the Board of Governors and the postmaster general submit their requests directly to the General Counsel. The Inspector General submits the request through the OIG General Counsel to the USPS General Counsel.

668.32 Legal Fees

A person covered by 668.3 who is represented by private counsel may apply to the general counsel for payment or reimbursement for legal fees. The general counsel will exercise discretion according to the criteria in 668.23.

668.33 Judgments and Settlements

A person covered by 668.3 may apply to the general counsel for payment or reimbursement for any adverse judgment or settlement. The general counsel will exercise discretion according to the criteria in 668.23.

669 Definitions

Definitions of terms used in 660 are:

a. *Postal Service* — the United States Postal Service as established by 39 U.S.C. 201.

b. *Employee* — an individual appointed to a position, temporary or permanent, within the Postal Service, or hired as an executive under an employment contract, including a substitute. The term *employee* does not include a governor of the Postal Service.

c. *Person* — an individual, a corporation, a company, an association, a firm, a partnership, a society, a joint stock company, or any other organization, institution, or entity.

d. *Official responsibility* — direct administrative or operating authority, whether intermediate or final, and either exercisable alone or with others, and either personally or through subordinates, to approve, disapprove, or otherwise direct Postal Service action.

e. *Employee's interests* — the interests of an employee, his or her spouse, his or her minor child or children, and other individuals related to the employee by blood who are residents of the employee's household.

f. *Business dealings with the Postal Service* — any contract, work, or business, or the performance thereof, or any litigation arising out of or involving any contract, work, or business, or the sale or acquisition of any real or personal property, or any interest in property, whose expense, price, or consideration is payable by or to the Postal Service.

g. *The Standards of Ethical Conduct* — the Code of Ethical Conduct consisting of the regulations published in 5 CFR 2635, 5 CFR 7001, and 39 CFR 447.

h. *Property* — includes records and recorded information regardless of their storage medium (e.g., paper, magnetic surfaces, film, etc.); information processing equipment such as computers and word processors, along with their peripheral and terminal devices; filmers, duplicators, and copiers; and information systems software.

i. *Information system executive* — a Postal Service official who prescribes the existence of, and the policies for, an information system.

j. *Office equipment* — includes, but is not limited to, personal computers, printers and modems, computer software (including Web browsers), telephones, facsimile machines, photocopiers, consumable office products, and office supplies.

k. *Personnel action* — means an appointment, promotion, adverse action or other disciplinary or corrective action, detail, transfer, reassignment, reinstatement, restoration, reemployment, performance evaluation, a decision concerning pay, benefits, awards, education or training that may reasonably be expected to lead to an appointment, promotion, or performance evaluation, a decision to order psychiatric testing or evaluation, or any other significant change in duties, responsibilities, or working conditions.

670 Diversity, Equal Employment Opportunity, and Affirmative Action

671 Diversity Overview

All employees share responsibility for achieving the Postal Service's corporate goals for responding to the voices of the customer, the employee, and the business. To create the required balance between employee satisfaction and customer satisfaction, the Postal Service must employ strategies and values that promote fairness and opportunities, instill pride, and enhance safety in the workplace.

For such efforts to be successful, the Postal Service must manage the diversity of its workforce so as to build an inclusive environment that respects the uniqueness of every individual and encourages the contributions of people from different backgrounds, experiences, and perspectives. This management of diversity must be reflected in recruitment, selection, promotion (including succession planning and opportunities for training and development), and retention of employees.

Integrating these values and strategies into the corporate culture requires leadership's full commitment.

672 Federal Legal Requirements for Equal Employment Opportunity and Affirmative Action

672.1 Laws

Equal employment opportunity (EEO) is required by federal law:

a. Title VII of the Civil Rights Act of 1964, as amended, 42 U.S.C. 2000e through 2000e-17, makes it illegal to discriminate in employment on the basis of race, color, religion, sex, or national origin.

b. The Age Discrimination in Employment Act of 1967, as amended, 29 U.S.C. 621 through 634, prohibits employment discrimination based upon age (age 40 and older).

c. The Rehabilitation Act of 1973, as amended, 29 U.S.C. 791 through 794a, forbids federal employers from discriminating against individuals with physical or mental disabilities. It also requires federal employers (1) to adopt an affirmative action plan for the hiring, placement, and advancement of individuals with disabilities and (2) to make reasonable accommodation to the known physical or mental disabilities of qualified individuals with disabilities unless the accommodation would pose an undue hardship.

d. All of these laws forbid reprisal for participating in protected EEO activity (e.g., filing a complaint, appearing as a witness).

The Postal Service also complies with the Equal Pay Act, 29 U.S.C. 206(d), which prohibits sex-based wage discrimination, and with the Architectural Barriers Act, 42 U.S.C. 4151 through 4157, which outlines accessibility requirements.

672.2 Executive Orders and EEOC Regulations

Executive Order No. 11478 requires federal agencies to establish and maintain affirmative programs of equal employment opportunity for all employees and applicants.

EEOC regulations require all federal agencies, including the Postal Service, to file Affirmative Employment Plans (AEPs). These plans provide information on the status of protected groups in each agency. The EEOC reviews and approves the plans.

Protected groups identified by EEOC regulations are women, Blacks, Hispanics, Asian Americans/Pacific Islanders, American Indians/Alaskan Natives, and individuals with disabilities.

The procedures for processing complaints of discrimination are contained in 29 CFR 1614.

672.3 Office of Personnel Management Guidance

OPM provides guidance to the Postal Service on variations of the Federal Women's Program, the Hispanic Employment Program, and the Selective Placement Program for Individuals With Disabilities.

673 Policy

673.1 General EEO and Affirmative Action Goals

The Postal Service seeks to:

a. Ensure fair employment practices at every level of the organization, making equal employment opportunity a way of life in the Postal Service.

b. Provide programs and opportunities that assist all employees in gaining the skills and experience necessary for advancement consistent with their abilities and personal goals.

673.2 Specific Commitments

673.21 Ensuring the Representation of All Employee Groups in All Levels of Employment

The Postal Service is committed to following the EEO laws and their application to all employment matters, including those related to affirmative action, and to providing reasonable accommodation as required by law where individuals with disabilities are employed or will be employed.

The goal of affirmative action within the Postal Service is to ensure that postal recruitment, retention, development, and promotion practices effectively draw upon and support the diversity of the communities the organization serves.

To help bring that about, the Postal Service operates special emphasis programs (e.g., the Women's Program and the Hispanic Program) and other affirmative action activities to help ensure that all employees and applicants — including women, minorities, and individuals with disabilities — are able to compete for employment and for opportunities at all levels of the organization.

673.22 Prohibiting Discrimination and Harassment

673.221 Discrimination

The Postal Service is committed to ensuring a workplace that is free of discrimination and to fostering a work climate in which all employees may participate, contribute, and grow to their fullest potential.

Through the EEO Complaint Processing Program, the Postal Service maintains a process of EEO counseling and investigation for addressing and resolving complaints that arise from alleged discriminatory practices. As an alternative to precomplaint EEO counseling, the Postal Service also offers the dispute resolution process titled Resolve Employment Disputes Reach Equitable Solutions Swiftly (REDRESS).

Handbook EL-603, *Equal Employment Opportunity Complaint Process,* provides the procedures for processing complaints of discrimination, as contained in 29 CFR 1614. Publication 94, *REDRESS,* provides an introduction to the alternative dispute resolution process.

673.222 Sexual Harassment

The Postal Service is committed to providing a work environment free of sexual harassment. Sexual harassment is improper and/or unlawful conduct that undermines employment relationships as well as employee morale, and the Postal Service will not tolerate its presence in the workplace. Employees who are found to have engaged in sexual harassment should expect serious disciplinary action, up to and including removal.

Postal employees who believe that they are the victims of sexual harassment may bring the situation to the attention of impartial supervisors or Human Resources managers at the appropriate organizational level. Any possible

criminal conduct should be reported to the Postal Inspection Service, the Office of Inspector General, or both.

Employees who believe that they are victims of sexual harassment but choose not to pursue a complaint through one of the above established procedures may seek relief through the EEO complaint process, grievance arbitration procedures for bargaining unit employees under the collective bargaining agreements, or, where appropriate, the nonbargaining unit grievance and appeal procedures.

673.223 **Sexual Orientation Discrimination and Harassment**

The Postal Service is committed to fair treatment of all its employees. Harassment and disparate treatment based on actual or perceived sexual orientation or identity are not permitted or condoned. Complaints of discrimination based on sexual orientation or identity are not permitted under Title VII of the Civil Rights Act of 1964. However, employees should report any variance from this policy to a management official at the earliest opportunity.

673.3 Diversity, EEO, and Affirmative Action Accountability

673.31 Employees

All employees are expected to treat each coworker with dignity and respect. In accordance with the laws of this nation, employees must refrain from discrimination based on race, sex, national origin, or any other category protected by the EEO laws. Employees also have the responsibility for taking appropriate steps to ensure a workplace free of sexual harassment and sexual orientation discrimination and harassment.

673.32 Management

All executives, managers, and supervisors share in the responsibility for successfully managing the diversity of the workforce and implementing EEO and affirmative action programs. Managers and supervisors are also charged with the responsibility of educating employees about preventing sexual harassment. If harassment occurs, managers and supervisors are responsible for conducting a prompt investigation of the allegations and taking immediate and appropriate remedial action (see Publication 552, *Manager's Guide to Understanding Sexual Harassment).*

674 Organizational Responsibilities

674.1 Deputy Postmaster General

The deputy postmaster general (DPMG) is the EEO and affirmative employment official for the Postal Service and is the principal advisor to the postmaster general and chief executive officer. Under the authority of the DPMG, the vice presidents of Diversity Development, Labor Relations, and Employee Resource Management are responsible for recommending policies and developing programs to address the EEO, affirmative action, and diversity objectives.

674.2 Functional Organizations

674.21 Diversity Development

The vice president of Diversity Development is responsible for overseeing the Postal Service national affirmative action and diversity development activities, including developing Affirmative Employment Plans that outline the implementation of all special emphasis programs and preparing accomplishment reports at the Headquarters, area, and performance cluster levels.

674.22 Labor Relations

The vice president of Labor Relations is responsible for the Postal Service EEO Complaint Processing Program. This official or a designee renders the final agency decision of the Postal Service regarding complaints of discrimination emanating from employees or applicants for employment at Headquarters, at Headquarters field units, and in the Inspection Service.

674.23 Employee Resource Management

The vice president of Employee Resource Management is responsible for developing and implementing Postal Service policies related to the employment, placement, and promotion of employees within a diverse workforce, with particular responsibility for protection of rights of veterans, disabled veterans, and other individuals with disabilities.

674.3 Diversity and Affirmative Action Advisory Committees

The guidelines for establishing Diversity and Affirmative Action Advisory Committees appear in the current issuance of the management instruction on Diversity and Affirmative Action Advisory Committees.

675 Affirmative Action Activities

675.1 Special Emphasis Programs

675.11 Nature of Programs

Special emphasis programs have been established within the framework of existing EEO and affirmative action laws, policies, and regulations. The special emphasis programs include the Women's Program, the Hispanic Program, and other special emphasis programs for other legally protected groups — Blacks, Asian Americans/Pacific Islanders, American Indians/Alaskan Natives, and individuals with disabilities — as well as for veterans and white males.

These programs focus attention on the special needs, obstacles, and concerns of certain protected groups when they are underrepresented in Postal Service employment (though they may be well represented in the civilian labor force) or when they are underrepresented at higher levels of postal management (though they may be well represented in the bargaining units or in lower level management).

The Postal Service is committed to ensuring that these programs receive the necessary management attention and support.

675.12 Objectives

The primary objective of the special emphasis programs is to ensure that all employees are fully utilized in the Postal Service workforce and that they have an equal opportunity to compete in every aspect of employment, including but not limited to recruitment, hiring, retention, training, career development, and promotions.

These programs do not seek preferential treatment, but ensure equality of opportunity through positive actions taken to eliminate barriers and through a continued commitment to achieving the goals and objectives set in the Affirmative Employment Plans.

675.13 Additional Information

Additional information can be found as follows:

a. The information on the Postal Service Women's Program definitions, responsibilities, program focus, program personnel, program evaluation, and reporting requirements is currently under revision.

b. For information on the Postal Service Hispanic Program definitions, responsibilities, program focus, program personnel, program evaluation, and reporting requirements, see the current issuance of management instruction *Postal Service Hispanic Program.*

c. For information on the Rehabilitation Act of 1973, reasonable accommodation, disability definitions, and employment and placement issues, see Handbook EL-307, *Guidelines on Reasonable Accommodation.*

675.2 Career and Diversity Awareness Conferences

675.21 Objective

Career and Diversity Awareness Conferences are group sessions designed to provide information on matters both postal and nonpostal about career and personal growth, planning, developmental resources, and diversity. The major goals of the conferences are to recognize the inherent value of diversity in the Postal Service, to provide practical information, and to create an awareness of the opportunities available to all employees in the Postal Service.

675.22 Additional Information

Specific information on conducting career and diversity awareness conferences can be found in the current issuance of the management instruction *Career and Diversity Awareness Conference Guidelines.*

676 On-Site EEO Evaluations

[Reserved.]

680 Participation in Supervisory and Managerial Organizations

681 Participation Rights

Postal personnel have the right, freely and without fear of penalty or reprisal, to join or assist a supervisory or managerial organization or to refrain from such activity. Personnel are protected in the exercise of such rights. No interference, restraint, coercion, or discrimination to encourage or discourage membership in such an organization will be effected in the Postal Service. The limitations set forth in Title 39, United States Code 1004(b), however, are dispositive on whether organizations are officially recognized by the Postal Service as a matter of law for consultative purposes.

682 Postal Service Representation at Organization Gatherings

682.1 Explanation

The Postal Service recognizes the need for effective rapport with the postmasters' and supervisors' associations. Part 682 establishes policies and procedures for official Postal Service representation at meetings and conventions of the National Association of Postmasters of the United States (NAPUS), the National League of Postmasters of the United States (League), and the National Association of Postal Supervisors (NAPS). Any requested exceptions to these policies and procedures must be submitted in advance to the vice president of Labor Relations.

682.2 National Conventions

When Postal Service representation is requested by either the League, NAPUS, or NAPS for speakers at a national management association convention, the principal spokesperson will be a representative who is most familiar with the subject matter identified in the letter of invitation. Postal Service officers or PCES managers who are assigned to address national conventions may participate in the convention's workshops, seminars, or other sessions where the subject matter is Postal Service policies, procedures, or operations. Coordination over who may appropriately address or attend management association conventions from Headquarters and Headquarters field units is within the exclusive purview and discretion of the vice president of Labor Relations. Coordination of speakers from the area or field level of the organization is within the purview of the vice president of Area Operations.

682.3 State Conventions and Other Management Association Conferences

682.31 General Policies

For a management association state convention or locally sponsored conference, the vice president of Labor Relations may designate an officer or PCES manager from Postal Service Headquarters to deliver remarks on

behalf of the Postal Service. In addition, the appropriate vice president of Area Operations is encouraged to participate and has discretionary authority to designate one or more representatives from the area or appropriate district and to determine the extent of their participation in the state convention or locally sponsored conference.

682.32 Request Channels

Requests for area, Inspection Service, and field management representation at state conventions or locally sponsored management association conferences are coordinated through the vice president of Area Operations, who makes the final determination. The vice president of Labor Relations makes the final determination on all Headquarters and Headquarters field unit representatives who may address or attend state conventions or locally sponsored management association conferences.

683 District Meetings for Postmasters

Each district manager may have periodic group meetings with postmasters to discuss and coordinate operational matters and/or provide training on subjects not covered in standard training courses. The time, location, and duration of these meetings, as well as who must attend, are in the sound discretion of the district manager or his or her designee.

690 Inventions and Patents

691 Policy

It is a policy of the Postal Service to encourage and stimulate the inventive talents of employees and to determine equitably the respective rights of the inventor and the Postal Service.

692 Authority

These regulations are issued pursuant to the authority of 39 U.S.C. 401, and they supersede and replace all previous rules and regulations relating to this subject.

693 Definitions

The terms used in this section are defined as follows:

a. *Postal employee* — any officer or employee of the Postal Service, including any part-time employee.

b. *Invention* — any art, machine, manufacture, design, or composition of matter, or any new and useful improvement of these, that is or may be patentable under the patent laws of the United States.

c. *During workhours* — time spent during usual workhours, overtime, or both.

d. *Facilities* — Postal Service buildings, shops, and any other buildings, property, or premises occupied by the Postal Service used while making an invention.

e. *Equipment* — Postal Service machinery, tools, and the like used in making an invention.

f. *Materials* — components specifically obtained and used for the purpose of making an invention.

g. *Funds* — Postal Service funds specifically allocated for the purpose of making an invention (including salary or wages paid to the inventor).

h. *Information* — knowledge used in making an invention that is available only by reason of the inventor's official duties and is obtained from sources available by reason of such duties and not otherwise available.

i. *Time and service of other governmental employees on official duty* — assistance provided during workhours by other postal employees or by nonpostal employees of the federal government in making an invention.

j. *Inventor in official duty capacity* — an inventor of an invention bearing a direct relation to, or made in consequence of, official duties when the inventor is employed or assigned to do any of the following:

(1) Invent, improve, or perfect.

(2) Conduct or perform research, development work, or both.

(3) Supervise, direct, coordinate, or review Postal Service or government-financed or -conducted research or development, or both.

(4) Act in a liaison capacity among government or nongovernment agencies or individuals engaged in such research or development work, and the invention is reasonably shown to have been developed from or during the performance of such work.

694 Reporting Inventions

694.1 Reports

694.11 What to Report

Any invention made by a Postal Service employee must be reported even though the employee is filing a patent application through outside counsel. An employee does not have clear title to an invention until a determination has been made as to possible Postal Service rights in the invention.

694.12 When to Send

Inventions should be reported as soon as the inventor makes a written description, drawing, or model of the invention.

694.13 Where to Send

Invention reports must be sent to the:

PATENT COUNSEL
LAW DEPT
US POSTAL SERVICE
475 L'ENFANT PLZ SW
WASHINGTON DC 20260-1123

694.14 What to Send

The following necessary information must be supplied in duplicate:

a. Inventor's name and address.

b. Inventor's job title and a brief description of duties.

c. Title of the invention and a full description of the invention. A model of the invention should *not* be sent unless it is requested.

d. A description of the Postal Service's contribution to the invention, if any. To show this, indication of whether the following statements are true should be provided and reasons given for any yes responses:

(1) The invention was made during workhours.

(2) The Postal Service contributed facilities, equipment, materials, funds, information, or the time or services of other Postal Service employees on official duty.

(3) The invention bears a direct relation to, or was made in consequence of, official duties.

Note: Give the reason for any *yes* answer above.

694.2 Review by Supervisor

A supervisor is to review the information and certify that to the best of his or her knowledge the report is true. A supervisor who does not agree with any part of the report must attach a statement of reasons for disagreeing. The supervisor's review is for the purpose of verifying:

a. Whether the invention was made with a contribution by the Postal Service of facilities, equipment, materials, funds, information, or the time or service of other Postal Service employees on official duty.

b. The relation, if any, of the invention to the assigned duties of the inventor.

c. Whether the invention was made during workhours.

695 Determination of Rights in and to an Invention

695.1 Responsibility

The initial determination of entire right, title, and interest in and to an invention is made by the Postal Service's Patent Counsel. The determination of rights is based on the following criteria:

a. *Entire Right, Title, and Interest to Postal Service.* The entire right, title, and interest is obtained by the Postal Service in these cases:

(1) The invention bears a direct relation to, or is made in consequence of, the official duties of the employee.

(2) The invention is made with a substantial contribution by the Postal Service of facilities, equipment, materials, funds, information, or the time or services of other Postal Service employees on official duty.

b. *Entire Right, Title, and Interest to Employee.* The entire right, title, and interest is left with the employee in these cases:

(1) The invention does not bear a direct relation to, or is not made in consequence of, the official duties of the employee.

(2) The invention is made outside of working hours.

(3) The invention is not made with a contribution by the Postal Service of facilities, equipment, materials, funds, information, or of time or services of other Postal Service employees on official duty.

c. *Divided Rights of Employee and Postal Service.* When an invention by an employee does not meet the criteria of 695.1a(1) or (2), but the invention is made during working hours, the Postal Service may reserve a nonexclusive, irrevocable, royalty-free license in the invention with the power to grant licenses for all government purposes. Such reservation must appear, where practicable, in any patent, domestic or foreign, that may issue on such invention.

695.2 Instruments

Patent Counsel prepares any necessary instruments and maintains a written record of all inventions to which the Postal Service has the title or license.

696 Appeals and Petitions

The following are the procedures for filing appeals and petitions:

a. Any Postal Service employee inventor who is aggrieved by the initial determination as to the rights of the Postal Service in any invention may appeal by filing two copies of an appeal with the Postal Service's Procurement Policy Committee within 30 days after receiving notice of the initial determination by the Patent Counsel. The committee forwards one copy of the appeal to the Patent Counsel.

b. On receipt of a copy of an appeal, the Patent Counsel promptly furnishes both the committee and the employee a report containing:

(1) A detailed statement of the points of dispute or controversy.

(2) Copies of any statements or written arguments filed with the Patent Counsel.

(3) Any other relevant evidence that was considered in making the initial determination of Postal Service interest.

c. Within 30 days after the mailing or hand delivery of a copy of the Patent Counsel's report to the inventor, the employee may file a reply with the committee, furnishing a copy to the Patent Counsel.

d. After the expiration of the period for reply to the Patent Counsel's report, the committee issues a decision on the matter. The committee's decision is made after consideration of the statements of fact in the inventor's appeal, the Patent Counsel's report, and the inventor's reply; but the committee, at its discretion, may call for further statements on specific questions of fact or may request additional evidence.

e. The employee may file a petition for reconsideration or modification of the committee's decision within 30 days from the date of the decision. The decision is final after the period for filing a reconsideration request expires or on the date that a decision on reconsideration is made or reconsideration is denied.

697 Timeliness

Postal Service officials who are involved in the proceedings described in 695 and 696 must make every effort to process claims and/or appeals in a timely manner.

698 Correspondence

All correspondence and inquiries relating to inventions and patents should be addressed to the:

PATENT COUNSEL
LAW DEPT
US POSTAL SERVICE
475 L'ENFANT PLZ SW
WASHINGTON DC 20260-1123