



## AUDIT REPORT

# Internal Controls Over Local Purchases and Payments - Hartford, CT, Main Office

December 29, 2017



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Report Number FCS-FM-18-005



December 29, 2017

**Internal Controls Over Local Purchases and Payments**

**– Hartford, CT, Main Office**

Report Number FCS-FM-18-005

**BACKGROUND:**

The U.S. Postal Service Office of Inspector General Field Financial Risk Model identified that the Hartford Main Office, for quarter (Q) 3 fiscal year (FY) 2017, made 92 percent of all local purchases within the Connecticut Valley District. This unit had a 367 percent increase in local purchases recorded to miscellaneous supplies, materials, and services during Q3 compared to Q2 of FY 2017. The audit team reviewed all 110 miscellaneous supplies, materials, and services transactions identified between April 1 and June 30, 2017.

The objective of this audit was to determine whether internal controls were in place and effective for making local purchases and payments at the Hartford, CT, Main Office.

**WHAT THE OIG FOUND:**

Internal controls for local purchases and payments were not in place and functioning at the Hartford, CT, Main Office. Specifically, unit personnel:

- Improperly recorded in the system all 98 no-fee money orders (NFMO) reviewed. The U.S. Postal Inspection Service (Inspection Service) requested the NFMOs for processing refunds for official business purposes. This resulted in an overstatement of revenue and expenses. Unit employees stated the former manager did not provide the correct instructions on processing NFMO requests from the Inspection Service.
- Did not collect and report Bank Secrecy Act (BSA) data, as required, for eight of 11 NFMOs requested by the Inspection Service that met the BSA reporting requirement. Unit personnel misinterpreted the reporting requirement.
- Did not obtain proper approvals, collect vendor tax data, or stay within the local purchasing limits prior to issuing five no-fee money orders for three local payments totaling \$3,357.
  - One invoice, valued at \$2,280, was paid without a properly approved purchase request. Additionally, the unit using three NFMOs for the \$2,280 payment to circumvent authorized local payment limits. Further, the unit did not collect vendor tax data as required by federal law.
  - One payment for \$800 was made without a properly approved purchase request.
  - One payment for \$277 did not have any documentation to explain the purpose for the

purchase or who approved the payment.

Unit personnel stated they were instructed by the former unit manager to make the payments and, therefore, assumed policy was followed.

- Did not always properly support or complete refund claims. Specifically,
  - Four refunds totaling \$335 did not have documentation supporting refunds of cash found loose in the mail.
  - 100 of 102 refund forms reviewed were missing key information, such as a witness, certifying employee signature, or customer signature.

Postal Service policy does not require unit personnel to acquire supporting documentation for refunds of cash found loose in the mail. In addition, the acting manager was not aware of her responsibility to review refund forms for support and completeness because she had not received Daily Financial Reporting training.

When internal controls are not in place and functioning, the Postal Service has an increased risk of:

- Using inaccurate and unreliable revenue and expense data to monitor and assess unit performance.

- Being subject to penalties of \$200,000 for the eight forms not submitted per BSA requirements.
- Maintaining inaccurate and incomplete refund payment information.

#### ***WHAT THE OIG RECOMMENDED:***

We recommended district management:

1. Provide training to all employees with responsibilities for processing or overseeing NFMO requests, to include Daily Financial Reporting and BSA reporting requirements.
2. Submit required BSA forms for the eight recipient NFMOs requested by the Inspection Service and tax documentation for the \$2,280 parking payment.
3. Reiterate to unit personnel that all local purchases must be approved in advance, must be within authorized limits, and may require tax reporting for service payments.

We also recommended headquarters' management

4. Develop a policy regarding refunds for monies found loose in the mail.


[\*Link to review the entire report\*](#)



December 29, 2017

**MEMORANDUM FOR:** DAVID MASTROIANNI, JR.  
DISTRICT MANAGER, CONNECTICUT VALLEY

MAURA MCDEVITT  
VICE PRESIDENT, CONTROLLER

E-Signed by Michelle Lindquist   
ERIFY authenticity with eSign Desktop  
*Michelle Lindquist*

**FROM:** Michelle Lindquist  
Director, Financial Controls

**SUBJECT:** Audit Report – Internal Controls Over Local Purchases and  
Payments – Hartford, CT, Main Office  
(Report Number FCS-FM-18-005)

This report presents the results of our audit of the Internal Controls Over Local Purchases and Payments – Hartford, CT, Main Office (Project Number 18BFM001FT000).

We appreciate the cooperation and courtesies provided by your staff. If you have any questions or need additional information, please contact Dianna Smith, Operational Manager, or me at 703-248-2100.

Attachment

cc: Postmaster General  
Corporate Audit and Response Management

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## Introduction

This report presents the results of our audit of the Internal Controls Over Local Purchases and Payments at the Hartford, CT, Main Office (Project Number 18BFM001FT000). The Hartford Main Office is in the Connecticut Valley District of the Northeast Area. This audit was designed to provide U.S. Postal Service management with timely information on potential financial control risks at Postal Service locations.

To determine whether internal controls over purchases and payments were in place and effective, we interviewed the acting manager and sales and service associates (SSA), and conducted walkthroughs of the local purchase and payments processes. We also analyzed purchase and payment data identified between April 1 and June 30, 2017, and examined the unit's supporting documentation for all 110 miscellaneous expense transactions recorded to account identifier code (AIC) 587, Payment for Services.<sup>1</sup> AIC 587 records transactions related to recording miscellaneous supplies, materials and services procured locally within authorized limits.

We relied on computer-generated data from the Enterprise Data Warehouse (EDW).<sup>2</sup> We did not test the validity of controls over this system; however, we assessed the accuracy of the data by reviewing internal controls, tracing selected information to supporting source records and interviewing knowledgeable Postal Service personnel. We determined the data were sufficiently reliable for the purposes of this report.

We conducted this audit from October through December 2017, in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our objective. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objective. We discussed our observations and conclusions with management on October 27, 2017, and included their comments where appropriate.

## Finding #1: Miscellaneous Non-Postal Revenue and Expenses

Unit personnel did not record any of the 98 no-fee money orders (NFMO)<sup>3</sup> requested by the U.S. Postal Inspection Service (Inspection Service) into the correct AICs. While the unit recorded the cash correctly, the unit improperly recorded all 98 NFMOs as revenue

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<sup>1</sup> The AIC consists of three digits. It is used to classify financial transactions to the proper general ledger account.

<sup>2</sup> A repository intended for all data and the central source for information on retail, financial, and operational performance. Mission-critical information comes from the EDW from transactions that occur across the mail delivery system, points-of-sale, and other sources.

<sup>3</sup> NFMO were supported by Postal Service (PS) Forms 3533, Application for Refund of Fees, Products and Withdrawal of Customer Accounts.

and expenses for the total value of the money orders.<sup>4</sup> The Inspection Service requested the NFMOs for official business use. The NFMOs were not related to revenue or expenses for the unit.

Postal Service policy<sup>5</sup> states Retail Systems Software (RSS)<sup>6</sup> units must follow the normal domestic money order process for Inspection Service NFMO requests, with the exception of applicable money order fees. This normal domestic money order process records the amounts as a liability and a contra-revenue account.<sup>7</sup> This occurred because unit employees followed specific instructions given to them by the former unit manager. The Accounting Manager, Northeast Area, stated her office became aware the Inspection Service NFMOs were incorrectly recorded in April 2017 and requested assistance and guidance from headquarters personnel on this issue. As of September 30, 2017, the financial records were not corrected because guidance was not provided.

The errors resulted in the unit's overstatement of revenue and expenses by \$84,186. The Postal Service risks using inaccurate and unreliable revenue and expense data to monitor and assess unit performance.<sup>8</sup>

**Recommendation #1: We recommend the Manager, Connecticut Valley District, instruct the manager, Hartford Main Office, to provide training to all employees with responsibilities for processing or overseeing no-fee money order requests received from the U.S. Postal Inspection Service, to re-enforce proper recording of activity.**

## **Finding #2: Bank Secrecy Act Data**

Unit personnel did not complete and report Bank Secrecy Act (BSA) data for eight of 11 recipients of the Inspection Service NFMOs sold for \$3,000 or more. Postal Service policy<sup>9</sup> requires Inspection Service agents purchasing Postal Service money orders valued at \$3,000 or greater for official business to complete the PS Form 8105-A, *Funds Transfer Report*. The policy<sup>10</sup> also requires unit employees to submit the completed

<sup>4</sup> Recorded into AIC 126, Miscellaneous Non-Postal Revenue (revenue account), and AIC 587, Payment for Services (expense account).

<sup>5</sup> *Policy Memo Exception for Money Orders Purchased by the Inspection Service*, dated December 2016.

<sup>6</sup> RSS is the primary hardware and software system used to conduct retail sales transactions in post offices.

<sup>7</sup> Record to AIC 553, Refund Postage and Fees, a contra-revenue account, and AIC 100, Domestic Money Order Value, a liability account. A contra account is one that is paired with and deducted from another related account in the financial statements.

<sup>8</sup> Data Integrity – Validation of the consistency, accuracy, and completeness of data used by the Postal Service. Data used to support management decisions that are not fully supported or completely accurate. This can be the result of flawed methodology; procedural errors; or missing or unsupported facts, assumptions, or conclusions.

<sup>9</sup> *Postal Bulletin* 22393, dated July 2014.



PS Forms 8105-A to the address on the front of the form on the same day the form is completed and to log them.

Unit SSAs received BSA training in April 2017 and were aware of the PS Form 8105-A requirement; however, they considered the Inspection Service NFMOs as internal requests and thought the requirement was applicable to external customers only. Prior to our audit, the Postal Service BSA Compliance office gathered purchaser information on three of the 11 NFMOs after the NFMOs cleared the bank. PS Form 8105-A data has not been reported for the remaining eight purchases as of October 31, 2017. The potential BSA penalty for each violation ranges from \$25,000 to \$100,000. Thus, the Postal Service risks potential BSA penalties of \$200,000 for the remaining eight NFMOs.<sup>11</sup>

**Recommendation #2: We recommend the Manager, Connecticut Valley District, instruct the manager, Hartford Main Office, to complete and submit the Postal Service Forms 8105-A, *Funds Transfer Report*, on behalf of the eight recipients that received the no-fee money orders requested by the U.S. Postal Inspection Service and reiterate Bank Secrecy Act reporting requirements.**

### Finding #3: Authorization for Local Payments

Unit personnel did not obtain proper approvals prior to issuing five NFMOs for three local payments.<sup>12</sup> Specifically,

- One invoice, valued at \$2,280 for employees' monthly parking fees, was paid even though the eBuy2<sup>13</sup> purchase requisition was in "pending approval" status. Additionally, the SSA used three NFMOs to make the \$2,280 payment in order to circumvent the \$1,000, one-time emergency authorized limit. Further, the SSA did not collect and report the vendor tax information for services paid locally.
- One payment, valued at \$800, was made without an approved eBuy2 purchase requisition.
- One payment, valued at \$277, did not have any supporting documentation to indicate who authorized the purchase.

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<sup>11</sup> We applied the most conservative approach of \$25,000 per violation. Assets or accountable items (for example, cash, stamps, and money orders) that are at risk of loss because of inadequate internal controls.

<sup>12</sup> Seven of the 110 transactions were for local payments paid using NFMOs, and 1 of the 110 transactions was for miscellaneous services paid in cash. Two of the seven NFMO transactions and the one cash transaction were properly approved, procured locally, and within authorized limits.

<sup>13</sup> Ebuy2 system is a critical system that supports the accurate processing and management of invoices. All requisitions must have the appropriate approvers on the requisition in order for payment to be processed.



Postal Service policy<sup>14</sup> states at field units, NFMOs may be used for local payment of one-time emergency expenses, but not to exceed \$1,000. All purchases of goods and services, regardless of payment type, require an approved eBuy2 requisition. For all local payments, the unit must record cash or NFMOs on the unit's Daily Financial Report and follow the invoice certification process. The unit should maintain a local file that includes the invoice; approved eBuy2 requisition or the PS Form 7381, Requisition for Supplies, Services and Equipment;<sup>15</sup> and proof of payment as supporting documentation for two years.<sup>16</sup> Policy also states field unit employees must complete PS Form 8231, Vendor Payment 1099 Reporting Form, to report services paid locally with cash or money orders.<sup>17</sup>

Unit personnel stated they were directed by the former unit manager to process the payments and, therefore, assumed policy was being followed. Unit personnel also stated they were not aware or trained on the requirement to collect vendor 1099 information for tax reporting purposes when issuing local payments for services.

When internal controls are not effective, the Postal Service has an increased risk of the unit making unauthorized payments and not complying with federal laws.<sup>18</sup> We consider the three local payments valued at \$3,357 unsupported questioned costs<sup>19</sup> because the payments were not approved prior to payment.

**Recommendation #3: We recommend the Manager, Connecticut Valley District, instruct the manager, Hartford Main Office,** to reiterate to all unit personnel requirements for processing local payments using no-fee money orders, including advanced approval, payment limits, and IRS reporting requirements, as applicable, and to submit the Postal Service Form 8231, Vendor Payment 1099 Reporting Form, to Accounting Services to report the \$2,280 vendor service payment.

**Recommendation #4: We recommend the Manager, Connecticut Valley District,** provide training to unit personnel on how to process service-related vendor payments.

<sup>14</sup> Handbook AS-709, *Purchase Card Local Buying Policies and Procedures*, Section 4-1.2.2, February 2015.

<sup>15</sup> This is the form used for local requisitions when eBuy2 is not available.

<sup>16</sup> Handbook F-101, Section 19-5.1 and Appendix D, Forms and Retention Period, PS Form 7381.

<sup>17</sup> Handbook F-101, Section 19-6.

<sup>18</sup> IRS requires filing the Form 1099-MISC, Miscellaneous Income, for each person in the course of an entity's business to whom the entity has paid during the year at least \$600 for rent, including parking. The \$2,280 was for employees' monthly parking at the Old State House Station Post Office, Hartford, CT.

<sup>19</sup> Unnecessary, unreasonable, unsupported, or an alleged violation of law, regulation, contract, etcetera. May be recoverable or unrecoverable. Usually a result of historical events.

## Finding #4: Documentation

Unit personnel did not always properly support or complete the PS Forms 3533, Application for Refund of Fees, Products and Withdrawal of Customer Accounts.<sup>20</sup>

### Support Documentation

Unit personnel did not obtain support documentation to substantiate all four refund payments, valued at \$335 (see Table 1), requested by the claims and inquiry clerk on behalf of customers for claim of funds lost in the mail.

**Table 1. Refunds Not Substantiated**

Number of Refunds	Refund Amount
1	\$ 100.00
2	40.00
3	150.00
4	45.00
Total	\$ 335.00

Source: Hartford, CT, Main Office.

The claims and inquiry clerk completed the four PS Forms 3533 based on customers' complaints of lost money. The clerk submitted the forms to the retail counter, requesting NFMOs to be issued on behalf of the customers. The Postal Service does not have a policy requiring the requestor to provide supporting documentation that the money found loose in the mail was deposited and to include the proof of the customer's claim request. However, proper internal controls suggest maintaining adequate supporting documentation to reduce the risk of issuing invalid refunds and to reduce the potential for fraud. We consider the four local payment for refunds valued at \$335 as unsupported questioned costs.

**Recommendation #5: We recommend the Vice President, Controller,** develop policy requiring unit personnel to obtain documentation that supports the cash amount of the funds found loose in the mail, the date the cash was deposited, and proof of how the rightful owner of the cash is determined prior to processing the Postal Service Form 3533, Application for Refund of Fees, Products and Withdrawal of Customer Accounts.

<sup>20</sup> The PS Forms 3533 represented 102 of the 110 transactions reviewed.

## Improper Completion

Unit personnel did not properly complete a PS Form 3533 for 100 of 102 NFMOs reviewed. Specifically:

- Ninety-nine forms were missing either the witness or the certifying employee signature.
- Ninety-two did not have the request disbursement section on the form completed.
- Seven were missing a customer signature.
- Four were missing the disbursement approved amount.

Postal Service policy<sup>21</sup> states it is the responsibility of the postmaster or unit manager to review the PS Form 3533 to ensure the refund is warranted and the form is completed properly.

This occurred because the acting unit manager had not received Daily Financial Reporting training and was unaware of her responsibility. When PS Form 3533 is not properly completed, there is an increased risk that the 100 refunds made by the unit were not valid.

**Recommendation #6: We recommend the Manager, Connecticut Valley District, provide Daily Financial Reporting training to the acting unit manager.**

## Management's Comments

Management agreed that required procedures for local purchases and payments are important to ensure unauthorized transactions do not occur. They agreed with recommendations 1, 3, 4, and 6; but disagreed with recommendations 2 and 5 and part of the monetary impact amount.

Regarding recommendation 1, the manager of the main office window unit provided training on the proper process for issuing no-fee money orders to the U.S. Postal Inspection Service to all retail associates.

Regarding recommendation 2, management stated they are not aware of the recipient name for no-fee money orders purchased by the postal inspector for official business use. Management stated they submitted PS Forms 8105A for the eight NFMO purchases. In addition, management trained all retail associates on Bank Secrecy Act reporting requirements for money orders requested by the Postal Service.

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<sup>21</sup> Handbook F-101, Section 21-1.d.

Regarding recommendation 3, management submitted PS Form 8231 for the \$2,280 vendor payment and trained unit personnel on proper procedures for making local payments, ensuring advanced approval and adhering to payment limits, and IRS reporting requirements.

Regarding recommendation 4, management trained unit personnel on how to process service-related vendor payments.

Regarding recommendation 5, management stated that policy already exists for funds found loose in the mail as outlined in the *Postal Operational Manual* Section 691.4, Items Lost in the Mail, and supported by Handbook F-101, *Field Accounting Procedures*. Management provided additional training to Hartford Post Office employees that outlined the policy in Handbook F-101.

Regarding recommendation 6, management provided daily financial reporting training to the main office window unit manager.

Regarding the monetary impact of \$3,692, management agreed that the correct purchasing procedures were not followed and there may be monetary impact, but they disagreed with part of the amount. Management explained the \$2,280 payment was for a valid invoice for annual parking fees and the employee used three money orders because the maximum limit was \$1000 and the vendor did not accept credit card payments.

See [Appendix A](#) for management's comments in their entirety.

## Evaluation of Management's Comments

The U.S. Postal Service Office of Inspector General (OIG) considers management's comments responsive to the recommendations in the report. In separate correspondence, management provided documentation that they completed all requested training December 12, 2017, and a copy of the completed PS Form 8231.

Regarding recommendation 2, in separate communication, the OIG clarified that we did not intend for management to name the recipient on the PS Forms 8105A for the eight NFMO's purchased by the Postal Inspection Service but instead to follow current policy. Management explained they had not yet submitted all eight forms as previously stated, but would submit them all by January 31, 2018.

Regarding recommendation 5, we acknowledge that Postal Service policy exists for how to record funds found loose in the mail; however, we continue to believe supporting documentation should be included when the PS Form 3533 is submitted for refund. Supporting documentation is needed to reduce disbursement errors but since documentation requirements for PS Forms 3533 also apply to refunds other than those for customer complaints of lost money and management reinforced policy to employees

responsible for processing refunds at this location, we will not pursue this issue further at this time. We may review PS Form 3533 documentation requirements separately as part of our ongoing audit work.

Regarding the \$3,692 monetary impact, we continue to believe the payments were appropriately classified as unsupported questioned costs because employees did not follow proper procedures or include adequate supporting documentation.

All recommendations require OIG concurrence before closure. The OIG requests written confirmation when corrective actions are completed. We consider recommendations 1, 3, 4, 5, and 6 closed with the issuance of this report.

## Appendix A: Management's Comments

NORTHEAST AREA OFFICE



December 13, 2017

LORI LAU DILLARD  
DIRECTOR, AUDIT OPERATIONS

SUBJECT: Response to Draft Audit Report – Internal Controls Over Local  
Purchases and Payments – Hartford, CT, Main Office (Report  
Number FCS-FM-18-DRAFT)

Thank you for the opportunity to respond to the OIG Audit over Internal Controls Over Local Purchases and Payments – Hartford, CT. Although, Connecticut Valley District does not agree with all of the recommendations made during the audit, Connecticut Valley Districts agrees that the required procedures for local purchases and payments are important to ensure unauthorized transactions do not occur.

**Recommendation #1:**

The Manager, Connecticut Valley District, instruct the manager, Hartford Main Office, to provide training to all employees with responsibilities for processing or overseeing no-fee money order requests received from the U.S. Postal Inspection Service, to re-enforce proper recording of activity.

**Management Response/Action Plan:**

Connecticut Valley District agrees with this recommendation. The Manager of the Main Office Window Unit has implemented the recommendation and all Retail Associates have been trained on the proper process for issuing no-fee money orders to the U. S. Postal Inspection Service.

**Target Implementation Date:**

Completed

**Responsible Official:**

Main Office Window Unit Manager

6 GRIFFIN ROAD N  
WINDSOR CT 06096-7000

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**Recommendation #2:**

The Manager, Connecticut Valley District, instruct the manager, Hartford Main Office, to complete and submit the Postal Service Forms 8105-A, *Funds Transfer Report*, on behalf of the eight recipients that received the no-fee money orders requested by the U.S. Postal Inspection Service and reiterate Bank Secrecy Act reporting requirements.

**Management Response/Action Plan:**

Connecticut Valley District does not agree with this recommendation. Our customer is the Postal Inspector who is at the window requesting the Money Order. At no time are we aware of who the recipients are. The PS Forms 8105A for the eight no-fee money order purchases have been completed and submitted. All Retail Associates have been trained on the Bank Secrecy Act reporting requirements for Money Orders requested by the U.S. Postal Service.

**Target Implementation Date:**

Complete

**Responsible Official:**

Main Office Window Unit, Manager

**Recommendation 3:**

The Manager, Connecticut Valley District, instruct the manager, Hartford Main Office, to reiterate to all unit personnel requirements for processing local payments using no-fee money orders, including advanced approval, payment limits, and IRS reporting requirements, as applicable, and to submit the Postal Service Form 8231, *Vendor Payment 1099 Reporting Form* to Accounting Services to report the \$2,280 vendor service payment.

**Management Response/Action Plan:**

Connecticut Valley District agrees with this recommendation. The PS Form 8231 for the vendor payment of \$2,280 has been completed and submitted. Unit personnel have been trained and provided a copy of proper procedures for making local payments, ensuring advanced approval, adhering to payment limits and IRS reporting requirements.

**Target Implementation Date:**

Complete



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Responsible Official:

Main Office Window Unit, Manager

**Recommendation #4:**

The Manager, Connecticut Valley District, provide training to unit personnel on how to process service-related vendor payments.

Management Response/Action Plan:

Connecticut Valley District agrees with this recommendation. Unit personnel have been trained regarding how to process service-related vendor payments.

Target Implementation Date:

Complete

Responsible Official:

Main Office Window Unit, Manager

**Recommendation #5:**

The Vice President, Controller, develop policy requiring unit personnel to obtain documentation that supports the cash amount of the funds found loose in the mail, the date the cash was deposited, and proof of how the rightful owner of the cash is determined prior to processing the Postal Service Form 3533, *Application for Refund of Fees, Products and Withdrawal of Customer Accounts*.

Management Response/Action Plan:

The Vice President, Controller disagrees with this recommendation. The Postal Service currently has a policy for funds found loose in the mail and that policy is outlined in the Postal Operations Manual Section 691.4, Items Loose in the Mail. The POM outlines that Postal Service employees must dispose of money found loose in the mail as follows: Record U.S. money found loose in the mail, unless identified with losses from mail or returned to its owner, on PS Form 25, Trust Fund Account, and enter the amount in AIC 126, Miscellaneous Nonpostal Revenue. If a valid claim is received for money found loose in the mail after taken into the postal account, make the refund from current funds and enter the amount in AIC 624, Refund of Miscellaneous Nonpostal Revenue. Both of these transactions would be documented on a PS Form 3533, Request for Refund. This policy is supported by the F101, Field Accounting Procedures Chapter 6, Miscellaneous Revenue and Reimbursement Revenues which also addresses

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money found loose in the mail. Based on these references, a new policy is not required. We do note that additional training has been given to the Hartford Post Office which outlines the policy in the F101, Field Accounting Procedures Section 6-7.

Target Implementation Date:  
Complete

Responsible Official:  
Manager, Revenue and Field Accounting

**Recommendation #6:**

The Manager, Connecticut Valley District, provide Daily Financial Reporting training to the acting unit manager.

Management Response/Action Plan:  
Connecticut Valley District agrees with this recommendation. The Manager of Customer Service Operations has provided Daily Financial Reporting training to the Main Office Window Unit Manager using the F-101, Field Accounting Procedures Chapter 5, Section 5-3.


Target Implementation Date:  
Complete

Responsible Official:  
Manager Customer Service Operations

**Monetary Impact:**

While Connecticut Valley District agrees that the correct purchasing procedures were not followed and there may be a Monetary Impact, we do not agree with the amount of \$3,692.00 cited during this audit. The \$2,280.00 was paid to Propark America for a year of parking fees at State House Garage; invoice attached. The Sales and Service Associate was not circumventing the \$1,000 one-time emergency payment limit; the three no-fee money orders were used to pay this invoice because Propark America does not accept credit card payments and the maximum amount for a no-fee money is \$1,000. The Vendor payment was valid invoice and the PS Form 8231 has been completed and submitted.

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David D. Mastroianni Jr.  
District Manager, Connecticut Valley

cc: VP Controller  
VP Retail and Customer Service  
VP Northeast Area  
Controller (Northeast)  
Manager, Finance (Connecticut Valley)  
Postmaster Hartford  
Manager, Corporate Audit Response Management