



**DEPARTMENT OF MENTAL HEALTH
POLICY/PROCEDURE**

SUBJECT ISSUANCE AND SAFEKEEPING OF POSTAGE STAMPS	POLICY NO. 804.05	EFFECTIVE DATE 05/22/1995	PAGE 1 of 7
APPROVED BY: Original signed by: ARETA CROWELL Director	SUPERSEDES 404.6 05/22/1995	ORIGINAL ISSUE DATE 05/22/1995	DISTRIBUTION LEVEL(S) 1

PURPOSE

- 1.1 To establish Department of Mental Health (DMH) policy and procedure for adequate and efficient internal controls over the issuance and safekeeping of postage stamps.

POLICY

- 2.1 The DMH provides postage stamps to Clinics, Bureaus, and Divisions on an as-needed basis when it is determined that expediting a particular mailing process is necessary.
- 2.2 Postage stamps must be safeguarded and accounted for as they are easily negotiable, portable assets.

PROCEDURE

- 3.1 Requisitioning and Replenishing
 - 3.1.1 Requisition postage stamps from the Accounting Division per Accounting Division procedure (Attachments I and II).
 - 3.1.1.1 **NOTE:** The maximum postage stamps on hand at the clinic should not exceed 200 postage stamps or a three-month supply, whichever is less.
 - 3.1.2 The postage stamps should be secured in a locked file, box, or safe (hereafter, referred to as the "**Safe File**"). Access to the Safe File should be limited to the primary Designated Custodian and the Clinic Manager or designee.



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- 3.1.3 Clinic Manager or designee updates the Postage Stamp Log (**Safe File**) (Attachment III) when postage stamps are replenished from the Accounting Division:
 - 3.1.3.1 Record date postage stamps are received from Accounting Division.
 - 3.1.3.2 Record number of postage stamps issued by Accounting Division in the Transferred/Replenished/Comments section.
 - 3.1.3.3 Record the name of Accounting Division’s postage stamp clerk in the Transferred/Replenished/Comments section.
 - 3.1.3.4 Record the name of the designated messenger picking up postage stamps from the Accounting Division.
 - 3.1.3.5 Record the total number of postage stamps received in the IN column. Adjust balance accordingly.
 - 3.1.3.6 Add the quantity of postage stamps by cent value issued by the Safe File balance.
 - 3.1.3.7 The total number of postage stamps in the IN column and the Gross Total in the preceding line will provide a **new** gross total. (To double check, add the current inventory balance by cent value.)
 - 3.1.3.8 Add the Custodian’s Desk balance and the Safe File balance by cent value to receive the **Gross Total** postage stamps on hand.
- 3.1.4 Clinic Manager or designee replenishes the **Custodian’s File** (Attachment IV) with postage stamps from the Safe File on a weekly basis (or as needed). Only one week’s supply of postage stamps should be maintained in the Custodian’s file. (The Custodian is generally the Clinic Manager’s Secretary.) Appropriate changes are then recorded to the logs:



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- 3.1.4.1 Record the date of transfer.
- 3.1.4.2 Record the name of Clinic Manager or designee transferring postage stamps.
- 3.1.4.3 Record the name of Custodian receiving postage stamps.
- 3.1.4.4 Record the number of postage stamps transferred to the Custodian's Desk **from the Safe File** in the **OUT** column; adjust balance accordingly.
- 3.1.4.5 Record the amount of postage stamps transferred from the Safe File **to the Custodian** in the **IN** column; adjust balance accordingly.
- 3.1.4.6 The Gross Total column should remain the same as the balance recorded on the previous line since no external exchange of postage stamps has taken place.
- 3.1.4.7 Indicate in the Transferred/Replenished/Comments section of the Safe File that this transaction is replenishing the Custodian's file.
- 3.1.4.8 **NOTE:** If the Custodian's file is low on postage stamps at the time of the replenishment from the Accounting Division, the above-mentioned steps must be followed.

3.2 Issuance

- 3.2.1 The Postage Stamp file must be kept in a locked designated place.
- 3.2.2 Postage stamps may be issued at the request of a mental health professional for client correspondence, or for administration purposes related to County business.
- 3.2.3 Maintain and update Postage Stamp Log:



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- 3.2.3.1 Ensure beginning balance is posted by cent value in the Inventory Balance column.
- 3.2.3.2 Record date postage stamps are issued.
- 3.2.3.3 Record name of Primary Designated Custodian or designee issuing postage stamps.
- 3.2.3.4 Record name of mental health professional postage stamps were issued to.
- 3.2.3.5 Record justification for issuance.
- 3.2.3.6 Record number of stamps issued in OUT column; adjust balance accordingly.
- 3.2.4 Record “transfer of responsibility” for postage stamps. Each time the Primary Designated Custodian transfers responsibilities to a secondary custodian; a record of the transfer should be made and kept on file. Likewise, each time the secondary custodian transfers responsibilities back to the Primary Designated Custodian, a record of the transfer should be made. (EXAMPLE: breaks, lunches, days off, etc.) Each custodian will be held accountable for all postage stamp activities occurring at the time of his/her custodial responsibilities.
- 3.2.5 Custodians may perform a reconciliation/verification of postage stamps any time the “transfer of responsibility” occurs.
- 3.3 Verification and Reconciliation
 - 3.3.1 On a monthly basis and upon receipt of postage stamps from the Accounting Division, the Clinic Manager or designee must perform a verification of the quantity of postage stamps from the Accounting Division; the Clinic Manager or designee should perform a verification of the quantity of postage stamps on hand. The Postage Stamp Log must be initialed by the Clinic Manager or designee when reconciliation is complete.



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3.4 Other

- 3.4.1 Missing or reportedly stolen postage stamps must be investigated. Clinic Manager must submit a letter of explanation to his/her Deputy Director and to the Accounting Division Chief. After a proper investigation, reimbursement may be recovered from the Auditor-Controller's Department.
- 3.4.2 Any operational questions should be directed to the Accounting Division. The Accounting Division reviews the requests for compliance with replenishing procedures. Clinics will be notified by the Accounting Division when an error is discovered and corrective action is required.
- 3.4.3 The Fiscal Support and Settlement Division review (by sample review) the clinic's compliance with distribution procedures during the on-site Internal Control Certification Program review. Any deficiencies are reported to the Clinic Manager as well as to the Deputy Director for corrective action.

3.5 Requisition Procedures:

- 3.5.1 Complete the Postage Stamp Request (in duplicate):
 - 3.5.1.1 Record the date of the request.
 - 3.5.1.2 Record the name of the facility or division making the request.
 - 3.5.1.3 Record the appropriate Cost Center Code.
 - 3.5.1.4 Record the number of postage stamps requested by denomination.
 - 3.5.1.5 Calculate the dollar value of the request (total number of stamps multiplied by the denomination).
 - 3.5.1.6 Specify justification for the request.



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- 3.5.1.7 The primary designated custodian must sign the request.
- 3.5.1.8 Indicate a phone number where the primary designated custodian may be reached.
- 3.5.1.9 Obtain approval of the request from the Clinic Manager or Deputy Director.
- 3.5.1.10 Indicate the date on which the request was approved.
- 3.5.1.11 The Accounting Division will complete the remainder of the Postage Stamp Request form.
- 3.5.1.12 NOTE: The Accounting Division will return any incomplete or improperly completed postage stamp requests to the facility to be corrected and resubmitted.
- 3.5.2 Only 200 postage stamps or a three-month supply (whichever is less) may be requested at one time.
- 3.5.3 Submit the Postage Stamps Request (in duplicate) and the original Postage Stamp Logs to:
 - Department of Mental Health Accounting Division
 - 550 Vermont Ave. 8th Floor
 - Los Angeles, CA 90020
- 3.5.4 Copies of the Postage Stamps Request and completed Logs should be filed in a secure location.
- 3.5.5 Only a messenger with written authorization, duly approved by the Clinic Manager, may pick up the requested stamps.
- 3.5.6 Upon receipt of the postage stamps from the Accounting Division, messenger should ensure that the bottom portion of the Postage Stamps Request is complete. Messenger signs the request to verify receipt of the postage stamps.



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3.5.7 Clinic Manager ensures that the Annual Signature Update Sheet (Attachment V) is reviewed and submitted to the Accounting Division at least once a year or when a change in Clinic Manager, primary designated custodian, et al occurs.

3.6 Clinic Closures

3.6.1 When a DMH facility, section or unit that has postage stamps ceases operation, the following must be observed:

3.6.1.1 Prior to closure, the custodian is to secure the postage stamps and report the status to the Accounting Division/Revenue Section Head.

3.6.1.2 Return the postage stamps intact to the Accounting Division Custodian in the Revenue Section by the close of the same or following business day.

AUTHORITY

Department of Mental Health Policy

REVIEW DATE

- Attachment I Postage Stamps Requisition Procedures (Summary)
- Attachment II Postage Stamps Request
- Attachment III Postage Stamp Log (Safe File)
- Attachment IV Postage Stamp Log (Custodian's Desk)
- Attachment V Annual Signature Update