The first two items are charged for on the basis of actual costs. The third item is charged for on the basis of fully allocated costs developed by our Cost Ascertainment Division.

The amounts due for services furnished other Government agencies are recorded in the accounting system at the time the services are performed. These amounts are treated as reimbursements to appropriations and not as revenues.

16. Are capital assets, such as building and equipment items, formally recorded in the accounting system, and upon what basis are they depreciated?

Yes. Capital assets such as buildings and equipment to which POD has title are formally recorded in the accounting system and are depreciated on a straight-line basis over a period of time estimated to be the useful life of the asset.

The POD occupies space in other Government-owned buildings on a rent-free basis. These buildings are not recorded as assets in the records of the POD; however, a statistical charge representing depreciation on the space occupied is recorded as a "nonfund" accrued cost.

17. Are the costs of the agency's physical assets considered in establishing the charges for services to other agencies?

Yes. In those instances where the POD provides services to other agencies, the charges include an allocation of costs for the physical assets involved.

18. Are agency accounting reports used regularly in program management?

Post Office Department accounting reports are tailored to meet the needs of program management, Budget Division, financial control officers, cost ascertainment, postal rates, and economics studies. Material reported and report formats are frequently changed at the request of the user to present information in the most meaningful manner for his needs.

19. Are agency accounting policies summarized in an accounting manual with which your staff accountants must comply?

Yes, the Post Office Department accounting policies and standards, approved by the Comptroller General on June 30, 1966, are set forth as chapter I to Fiscal Handbook, series F-8, General Classification of Accounts. In addition, a descriptive statement of the overall financial management system of the Post Office Department is set forth in the same manual as chapter III. This manual also contains the basic chart of accounts.

D. *Management information system*

20. Do you have an automated management information system for your agency?

The Post Office Department does not have an automated management information system. However, a management information system is made up of many interrelated subsystems organized to provide all the data processing and information services necessary for efficient operation. Financial, planning, program budgeting, can all be described as interrelated subsystems to the framework of a management information system. In this respect the Department has automated or is in the process of automating significant segments of the data requirements of various functional areas. One of the outstanding examples of this type of automation is the postal source data system, one of the most extensive and complex installations of its kind in the world, which, in addition to facilitating the traditional payroll function, will enhance the capability for generating management data which serves as a base for management information reporting. We are also in the process of developing subsystems in the area of planning-programing-budgeting system, inventory control, and personnel statistics.

21. In general, what functional areas are included in the management information system? (Examples: Financial, planning, and program budgeting, inventory, personnel, etc.)

Some of the interrelated subsystems that have been developed, or are in the process of development, to serve as elements of a Department management information system are listed below. Our objective in designing and implementing a fully integrated and automated management information system is to provide coverage of all functional areas.

(*a*) Financial.

(1) Accounting reports.

(2) Payroll—management reports which are generated as a byproduct of the payroll processing.

(*b*) Vehicle utilization reports.

(*c*) PULSE—Property utilization and logistics, supplies, and equipment.

(*d*) Research and engineering—Project status reporting system.