COST ACCOUNTING FOR THE BUREAU OF POSTS, THE PHILIPPINES

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JAPAN INTERNATIONAL COOPERATION AGENCY

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PREFACE

In response to a request made by the Government of the Republic of the Philippines, the Government of Japan decided to conduct a study on the cost accounting in postal services in the Philippines and entrusted Japan International Cooperation Agency (JICA) with the work. The JICA dispatched to the Philippines two experts namely, Messrs. Shinichi TAKEUCHI and Tsutomu OHNO of the Ministry of Posts and Telecommunications, from September 25 to December 24, 1978, for the study.

The experts consulted with the officials concerned of the Bureau of Posts, the Ministry of Public Works, Transportation and Communications of the Philippine government, collected information and data and conducted an extensive survey for the planning on postal cost accounting of the Bureau. Based on the results obtained by the survey, they have compiled this report.

I sincerely hope that this report will contribute to the improvement of postal cost accounting in the Philippines and to the enhancement of the friendly relations between our two countries.

I would like to take this opportunity to express my deep appreciation to the Authorities and people concerned of the Philippines for thier close cooperation extended to the experts.

November, 1980.

Keisuke Arita

Keisuke Arita
President
Japan International Cooperation Agency

FOREWORD

This report is a summary of results of a joint study on cost accounting of the postal services in the Philippines, carried out in the Bureau of Posts, Manila, during the three months from September to December 1978.

Before this joint study, in parallel with studies on work measurement by the Takamura mission, a compilation of a standard text for cost accounting in the postal service, and studies on the current state of the postal services in the Philippines, were carried out for more than a year with the cooperation of various staff members of the Japanese Postal Services, so that a joint study in the postal services of the Philippines might be carried out effectively.

It was expected that there would be considerable difficulties in carrying out the study, especially with regard to the period available and the work volume entailed, since the jobs to be tackled covered vast areas and the areas to be studied were rich in content.

In spite of this, however, the original objective was attained due to warm and energetic support of Director General Tanabe and his staff at the Philippine Bureau of Posts, and to the enthusiastic participation of study members of the said Bureau.

Finally, we would like to express our sincere thanks to all concerned in assisting to carry out this study and at the same time we hope that the results may make a substantial contribution to the postal service of the Philippines.

Shinichi Takeuchi
Tsutomu Ohno

CONTENTS

Page

PART I.

GENERAL

I. AN INTERNAL CONTROL SYSTEM FOR THE BOP

Genesis

A request from the Postmaster General addressed to JICA (Japan International Cooperation Agency) led to the arrival here of Messrs. Shinichi Takeuchi and Tsutomu Ohno, experts on postal cost accounting from Japan's Ministry of Posts and Telecommunications.

On their shoulders fell the task of transferring to the Bureau of Posts mainly through the members of the Postal Cost Accounting Study Group the intricate steps of cost accounting through lectures, and actual and mail surveys conducted in five postal regions, three distribution centers and about 300 post offices. The project team is made up of the following: Jose R. Enverga, Project Officer, Bernarda A. Fajardo, Isabel Sanchez, Carlos David, Eufemia Cabreros, Thelma Cabanilla, Leonida Tejada, Juanito Millare, Crisostomo Reyes and Geronimo Villanuel, members.

What Cost Accounting Is

Cost accounting is a procedure of computing the costs per unit of benefit or service. It is a calculation per product or service of the cost incurred in the manufacture of a product or the offer of a service by the organization concerned. It is linked to financial accounting although the latter is more externally oriented being charged with reporting to the outside world.

Cost accounting, being internally oriented, provides the means to appraise effectiveness/effeciency. In other words, it is concerned with operational efficiency, meaning the appropriateness and minimization of costs and rates. Once institutionalized, cost accounting not only clarifies the actual cost required for the operation of the service but also provides management with standard costs estimated by scientific or statistical method through work measurement and standard working method, standard consumption of light, water, etc. It is the answer to the government's current cost reduction program in all agencies. In essence, therefore, it is an internal control mechanism.

However, cost accounting is not directly concerned with manpower allocation. This is the province of work measurement and work standards which, when strictly implemented, lead to the elimination of the indiscriminate assignment of personnel without reasonable basis (palakasan). Suffice it to say that a post office with more than its share of personnel is not always more efficient than one with lesser personnel because of certain variables. For instance, the first post office may have a bigger operational area or a fragmented delivery district.

The Need for Cost Accounting

We have been bothered for sometime by the question of what course of action to

follow; seek additional budget for use in improving the mail service or improve the service first and ask for a bigger budget later. In other words, what should management strive for first: request for more funds for postal improvement or justify such a request by showing a marked improvement in the services? We think that the answer to this question largely lies with cost accounting. The Bureau, through the Postmaster General, can create the necessary condition in which a much bigger outlay can be secured from the Ministry of the Budget. By improving the various services offered mail volume will correspondingly increase. With an increase in clientele or patronage more revenues are obtained and with more revenues the Bureau stands a chance of getting a bigger share of its income. Perhaps from the present 15% it may succeed in convincing higher authorities to allot to it a higher percentage of the postal income. With a sizable increase in the budget the Bureau can improve the working conditions of its employees, construct post office buildings and thus upgrade the quality of the postal service hereabouts.

At this writing, lack of a system for data gathering and lack of data itself has proved to be a perenial weakness from time immemorial. This serious deficiency of management has been the bane of postal planners who have to make do with whatever data there is which is usually the result of resourceful statisticians. This is the reason why the Philippine mail volume has not been pinned down to a reliable level.

The Value of Perfect Information

When the Systems Study of Postal Operations (SSPO) started operations in 1976 one of its more significant findings was the difficulty of coming up with accurate data from the post offices sampled. The absence of a built-in data gathering mechanism coupled with a general lack of a statistical orientation resulted in a situation that proved a roadblock to a proper classification of post offices in the country.

In the periodic revision of postage rates no little amount of embarrassment has been experienced by the Bureau whenever the Department (now Ministry) of Public Works, Transportation and Communications would ask for some justification for such an increase in rates. Other than mentioning the increase in transportation fare and prime commodities, the Bureau could not present any study result in support of such an increase. With the establishment of data gathering system and the adoption of cost accounting, however, a scientific basis can convince higher authorities on the wisdom and advisability of such requests.

Decisions depend on accurate information. The more perfect the information the better for decision-making. In other words, decisions are as good as the information leading to such decision.

It is not only costs that are considered in fixing postage rates and other postal charges. Aside from the costs of related services such as telephone rates, transportation and commuter costs, postal planners must think of the burden the people have to bear in the form of higher rates. Other factors include historical, cultural, social and political influences, not to mention the competition offered by the private express messengerial services.

The Method of Cost Accounting in BOP

In considering the method of cost accounting suitable for the BOP we have looked into the current thinking of the Administration viz-a-viz the existing situation, among other factors.

About 20 years ago, the Bureau had availed of the services of a Cost Researcher whose functions were defined by the then Wage and Position Classification Office (WAPCO). Unfortunately, the position was abolished when its incumbent became the chief of the administrative division and whatever the Bureau had planned to do through the creation of said position had gone to naught.

Similarly, before the implementation of the Integrated Reorganization Plan in 1972 there were in almost all agencies of the government units called Internal Audit Services which acted as the "eyes and ears" of management and took charge of what then was internal control system. Under the IRP, the internal audit units were abolished and their functions absorbed by the management units. However, the internal control phase of their responsibility had been substantially reduced as the positive thrusts of their function were given full play.

The creation of a cost accounting unit within the Financial and Management Division will restore that power of internal control especially in the matter of safeguarding money and property accountability.

In executing cost accounting, much time and effort are incurred. For the first stage of cost accounting, the actual cost accounting will have to be achieved and after having rooted firmly this system, the standard cost accounting may be attempted. A series of studies such as work measurement, time and motion study to formulate work standards must have to be conducted and the results thereof disseminated before the standard cost accounting is realized.

Work measurement and standard working methods are normally undertaken to provide management with standard number of employees.

Framework Plan

Since cost accounting is the computation of costs per unit of benefit or service, the whole exercise should consider Bureau costs both in totality and in units. However, to have a good picture of the various expenditures, we decided to account costs in the post office, regional and central office levels (including distribution centers) irrespective of funding source. In other words, the total and unit costs should be determined viz-a-viz total income and unit income. The question of what to include and exclude in the matter of expenditure and revenue had led the straight forward discussion. In deciding the issue, the discussions went as far as the deciding as to whether or not to include overhead or administrative costs to operations or post office costs. However, since we are only in actual cost accounting where the basis is the amount actually paid for the service offered, for the purpose of providing basic data for an appropriate determination of rates and data for management and control, accordingly, not only expenses of

post offices but all legitimate costs must have to be reckoned with.

In designing the framework plan, the proejct team members had agreed to pin down objectives that are specific, manageable, attainable, relevant and time-bounded. Without the objectives having the above characteristics, we believed we could not have realized them in less than 3 months time.

One of the objectives of the study was to insure that the technology transfer has been effective and that the persons (the Filipino counterpart members) who will be left behind to continue the work can be depended upon to carry on with as much effect and force. The members of the project team tried their best to absorb as much knowledge possible in cost accounting in less than 3 months of the study.

In evolving the framework plan, the job at hand had looked formidable. In the inventory of related literature, there was no reliable data on mail volume. And there was need to put into order the various basic data necessary for calculation such as payments for, and the types and quantities of services offered during a certain period, in the particular case CY 1977 and part of CY 1978. In order to perform cost accounting, therefore, it was necessary to have statistical survey forms, including a financial accounting system.

Trial Cost Accounting

In the calculation by type of service, all costs associated with the mail services are assigned and calculated for the respective services. Of all types of computation for apportionment, the cost accounting of post offices is most important. This is because the costs of the post offices have a big share in the total cost of the postal service and the results of an apportionment of the post offices' costs have a considerable influence on the tendency of costs by type of service.

In setting a calculation by department, a considerable time was devoted to the determination of work processes in the Domestic Surface Mail DC, Airmail DC, Foreign Surface Mail DC and the Central Post Office. Since these 4 offices play a pivoted role in the Philippines posted service, they exert a influence greatly upon the results of cost accounting.

To determine the data collecting method, we considered the monthly frequency to be prepared by the post office and submitted to the central office through the regional office. However, there are instances where reporting should be made directly to the central office particularly on items sent to the post offices directly. As earlier stated, calculation is to be done by the central office where the desired data are available.

Examination of Method for Approximating Costs

The determination of the apprtioning method for the common expenses of work departments has been along the number of employees, expenditures, revenues, mail volume, etc. For instance, the costs for the administrative staff of the airmail distribution center is apportioned

among ordinary, airmail, foreign mail sections in point of salaries or number of personnel and materials etc.

To proceed smoothly to the desired objectives, consideration of mail operations and accounting the costs thereof need to be detailed for a better analysis of cost data and for control purposes.

As finally designed, the apportionment of post office costs by department comes in two tables, i.e., indoor and outdoor. The costs for indoor and outdoor activities are composed of salaries, overtime, life and retirement, uniform and post allowance, TEV, telephone and telegram, light and water.

As finally zeroed in, types of mail item have reached 56 items, of expenditure at 22 and cost departments as: counter service, processing and dispatching for INDOOR; ordinary delivery, special delivery (express), speed airmail delivery and collection as OUTDOOR. Philippine Mail Truck and others for transportation and Money Order Section and others for OTHERS.

Forms and Instruction

Owing to the magnitude of work to be done before actual calculation of expenditure was to begin the framework plan had undergone several revisions to conform with the tight schedule. Certain steps, and even forms and tables were eliminated so that the final outcome of the various surveys could be realized before or at the end of the whole study.

The forms for the Mail Survey later sent to about 300 post offices of all classes were designed and finalized after an actual observation of small, medium and large post offices around the Metro Manila and Rizal areas. Because they are unaccompanied, these mailed survey form had to be fully explained to the Postmasters who were to accomplish them. These explanations were contained in a circular, memorandum to the Postmaster and in separate sets of detailed instructions.

The same procedure was made regarding the surveys conducted on the Domestic Surface Mail DC, Foreign Surface Mail DC, Airmail DC and the Central Post Office.

Not being used to complicated forms however, those asked to fill them up had difficulty doing so.

Jose R. Enverga
Chief, Management Section
Financial and Management Division
Bureau of Posts, Manila

II. SUMMARY OF ACTIVITIES OF THE COST ACCOUNTING STUDY TEAM

(1) Scope of Study

The study plan and scope covered by the 3-months activity of this Study Team were as follows:

(a) Aquisition of fundamental knowledge in cost accounting in the postal service
(b) Designing of suitable cost accounting system in the Philippine Postal Service
(c) Gathering of various data necessary
(d) Carrying out various on-site surveys, visiting various post offices including C.P.O. and the three distribution centers in Region IV (Metro Manila)
(e) Performing trial cost accounting

(2) Status at Present (see work schedule) and Activity to be followed

As a result of extended our activities to many fields owing to the fact that cost accounting work covers almost all fields of the Postal Service, there are still some data which are under summarization and tabulation. However, we have already studied fundamental matters and gained knowledge necessary for cost accounting in this service and have acquired valuable experience in carrying out various surveys. From the long range view, our Study Group considers the study and activities carried out as satisfactory although we could have reached cost accounting by type of mail service as the final phase.

(a) Acquisition of basic knowledge

We have studied general methods of cost accounting in the postal service using a text "Cost Accounting in the Postal Service" prepared by the Cost Accounting Study Group in the Japanese Postal Service.

(b) Designing of Cost Accounting System in the Postal Service

Before setting about designing the system, briefings were held concerning the organizational setup, the Budgeting and Accounting System, Salary Scale System, Postal Service System, Mail Processing System and Management and Operation at the post offices, knowledge of which is indispensable information for cost accounting framework, especially by the counterparts and representatives of main post offices in Metro Manila. Thus our Cost Accounting Team tried to base the cost accounting on actual conditions of the Postal Service.

(3) Data Gathering

(a) Available Data

The Study Group attempted to gather 1977 expenses by item of expenditure on a trial basis. However, as there are many obstacles in various stages, it seems that members of this study group have experienced difficulties in getting desired data.

(b) Surveys by Mail (November 1978)

Approximately 300 post offices from among all calsses throughout the country, were sent survey sheets seeking the following data:

(a) Number of postal items by type of mail service,
(b) Working hours by department (or activity) of post offices,
(c) Number of mail items by type of service contained in mail bags by mode of transportation (RP Mail truck, Railway, Ship, Air, etc.) and
(d) Number of mail bags received or dispatched.

Survey results (44% were returned by 7 th December 1978)

(4) Surveys carried out in Post Offices

Before carrying out the surveys, conferences for explanation to the managing staffs were held in advance.

(a) Weight capacity survey for mail items;
Central Post Office, DSMDC, FSMDC, ADC and Angeles City Post Offices
(b) Equivalent coefficient survey for outdoor mail operation;
Baguio City Post Office
Dagupan City Post Office
(c) Surveys for Number of Stamps Affixed on Mail Items;
Central Post Office
DSMDC, FSMDC, ADC and Angeles City Post Office
(d) Other Surveys (November 1978)
i) Unit Revenue Survey;
C.P.O., DSMDC, FSMDC, ADC and Angeles City Post Office
ii) Survey for Work Volume and Expenses;
C.P.O., DSMDC, FSMDC, ADC

(5) Trial Cost Accounting

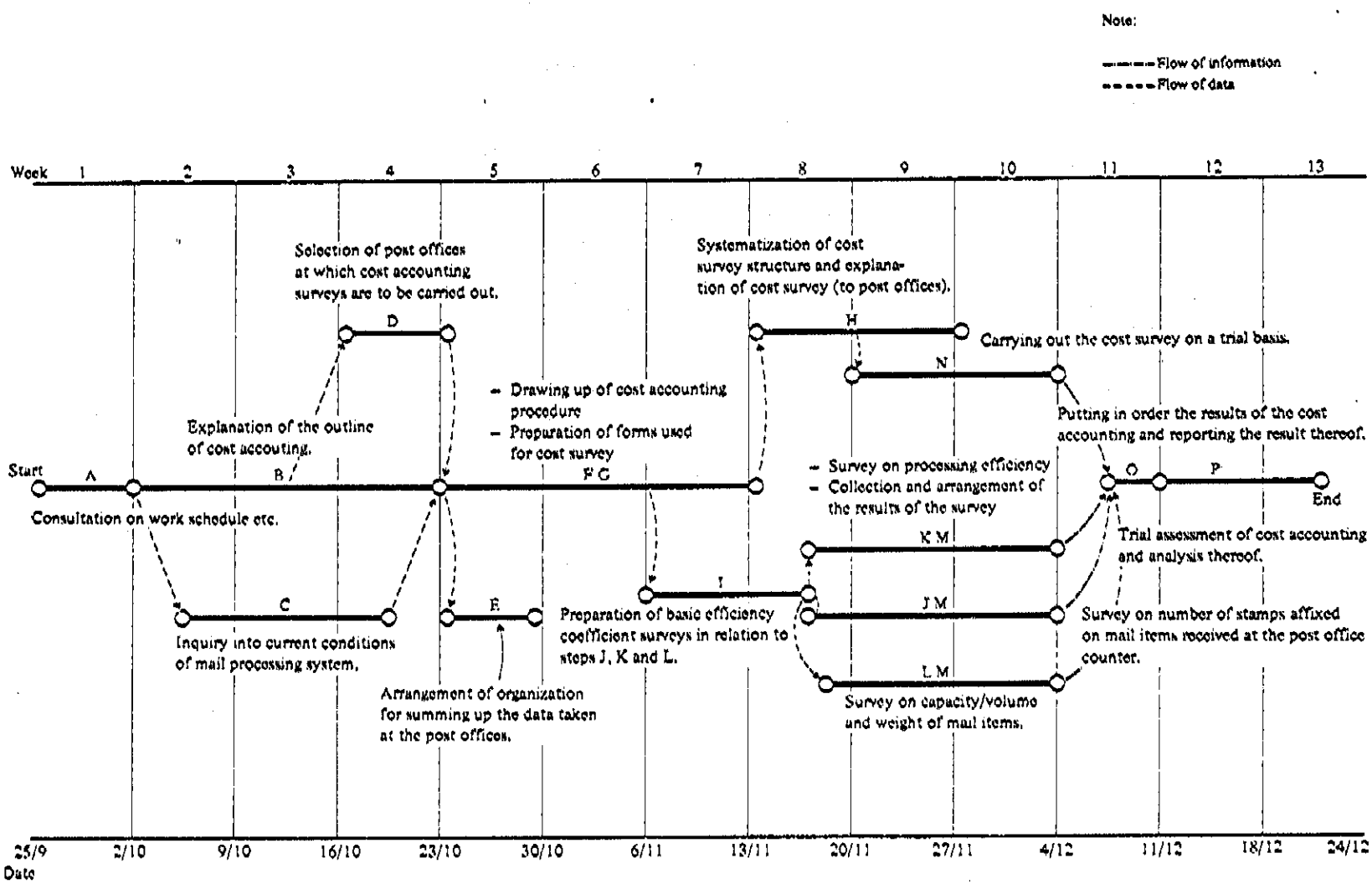
Trial cost accounting was attempted on the basis of 1977 settled expenses and 1978 mail volume, working hours etc. But as some data have not yet been gathered and others were still being tabulated, it was premature to conduct a definite calculation.

Anyway, since we have discussed trial cost accounting, some problems have been identified and this will be helpful in future programs of cost accounting.

(6) Problems for Study and Solution

(See Recommendations.)

WORK SCHEDULE FOR COST ACCOUNTING IN THE POSTAL SERVICES



STUDY PROCEDURES FOR COST ACCOUNTING IN THE POSTAL SERVICES

	Work Step	Details of Work	Remarks
A	Consultation on work schedule, etc.	a. Reaffirmation of the aim to be attained by the mission b. Consultation on work schedule c. Briefing on current general condition of the postal service in the Philippines	Inquiry into the current system of financial accounting and the postal situation
B	Explanation of the outline of cost accounting	Material to be used — Cost accounting in Postal Service — Other supplementary materials	
C	Inquiry into current condition of mail processing system	a. Post Offices Ordinary post office – large scale 1 – middle scale 1 – small scale 1 Distribution Center 3 (a) Indoor Work Counter Service, Mail processing, Dispatch and arrival (b) Outdoor Work Indoor preparation, Delivery, Collection (c) Method of shift distribution (d) Arrangement of statistical data	Central Post Office Makati Commercial Center PO Cardona PO DSMDC, FSMDC, ADC

	Work Step	Details of Work	Remarks
		b. Transportation	
		(a) Method of transportation	
		(b) System by which transportation charges are paid.	Which organ is responsible for the payments.
D	Selection of post offices at which cost accounting surveys are to be carried out.	a. Guidance for a sampling plan	
		b. Calculation for extrapolation of samples — Staff strength, volume of work, revenue, expense, etc.	
		c. Calculation of the number of post offices which will carry out the survey.	
E	Arrangement of organization for summing up the data taken at the post offices	a. Examination of the method used for the collection of data.	
		b. Organization of the structure for data collection	
F	Drawing up of cost accounting procedure	1. Rough planning for the preparation of the procedure	
		a. Framework	
		(a) Determination of the contents of final output	
		(b) Determination of division or classification of region and organization	
		(c) Classification of the departments of work	

	Work Step	Details of Work	Remarks
		(d) Determination of the category of service	
		(e) Determination of the contents of the data required for cost accounting.	
		(f) Determination of data collecting method	
		(g) Determination of executing organs of cost accounting: by item of expenditure, by department, by type of service	
		b. Examination of method for apportioning cost	
		(a) Determination of the apportioning method for the common expenses of departments	
		(b) Determination of standards for allotment of cost to each type of service	
		(c) Drawing up of rough illustrations of cost accounting flow	
		2. Detailed planning for the preparation of the procedure	
		a. Calculation by cost items	
		(a) Determination of the method for ascertainment of total costs	
		(b) Determination of items for non-cost expenses and examination of methods to be used for the non-cost expense survey	

	Work Step	Details of Work	Remarks
		(c) Preparation of cost calculating tables by items of expense	
		b. Accounting by "department"	
		(a) Decision of the items to be apportioned directly to the operational department.	
		(b) Determination of standards for apportioning of common departmental expenses	
		(c) Examination of method of ascertaining data for common departmental expense apportioning standards	
		(d) Preparation of tables for departmental cost accounting	
		c. Accounting by "type of service"	
		(a) Determination of items of expenditure to be apportioned directly to each type of service.	
		(b) Determination of standards for apportioning of departmental cost to each type of service	
		(c) Examination of method of ascertaining data for departmental cost apportioning standards	
		(d) Preparation of calculating table for cost by the type of service	

	Work Step	Details of Work	Remarks
		d. Revenue accounting	
		(a) Determination of method of ascertaining total revenue	
		(b) Examination of survey method for revenue per unit	
		3. Drawing up of cost accounting procedure (0.5 week)	
		(a) Making up of necessary forms	
		(b) Preparation of instruction for (a) above, including description of accounting procedure	
G	Preparation of forms used for cost survey	a. Examination of structure of forms	
		b. Preparation of forms	
H	Systematization of cost survey structure and explanation of cost survey (to post offices)	a. Guidance on survey structure and systematization of the survey	Central Post Office, DSMDC, FSMDC, ADC and 18 small post offices in Benguet Province at Baguio City Post Office
		b. Explanation of items to be carried out in the survey	
		c. Guidance on survey methods	
		d. Guidance on methods for collecting and arranging data taken from the results of the survey	
		e. Number of post offices to be given on guidance on the survey	

	Work Step	Details of Work	Remarks
I	Preparation of basic efficiency coefficient surveys in relation to steps J, K and L	a. Examination of contents of survey and arranging method of survey results	
		b. Preparation of instructions or descriptions to assist the survey	
		c. Examination of survey scale	
		d. Provision of instruments for measurement	Stop watches, measures, counters, scales (weighing machines)
		e. Training in measuring methods	
J	Survey on number of stamps affixed on mail items received at the post office counter	a. Explanation of contents of the survey and method of of the survey	
		b. On the spot guidance for the survey	
		c. Investigation at first hand (about 5 post offices)	
		d. Guidance on arrangement of results of the survey	
K	Survey on processing efficiency	Survey on indoor and outdoor operations of post offices	(a) Surveys on indoor operations have not been carried out. On the other hand survey on outdoor operations have been preliminarily carried out at the Dagupan City post office.
		a. Explanation of contents of survey and survey method	
		b. On the spot guidance for the survey – Distribution Center 1 – Ordinary post office 2	

	Work Steps	Details of Work	Remarks
		c. Investigation at first hand (about 3 post offices)	(b) A detailed explanation and survey sheets on the survey method and on b how to arrange the survey results are prepared as a paper.
L	Survey on capacity/volume and weight of mail items	a. Explanation of contents of survey and survey method	
		b. On the spot guidance for the survey	DSMDC, FSMDC, ADC and Angeles City PO
		c. Investigation at first hand	
		d. Guidance on arrangement of results of the survey	
M	Collection and arrangement of the results of the survey	a. Examination of the contents of the survey results	
		b. Determination of equivalent coefficients	This survey has been carried out at the CPO, DSMDC, FSMDC, ADC and 300 post offices throughout the Philippines. Those 300 post offices picked up by classification of post offices and were surveyed by mail. Main items surveyed are:
		c. Examination of equivalent coefficients	
N	Carrying out the cost survey on a trial basis	a. Putting the survey into effect on a total basis using the forms prepared at Step G in the post offices which received guidance at Step H.	
		b. On the spot guidance for the survey	(1) Expenses by item
		c. Examination of contents of forms completed.	(2) Mail volume (mail items & bags)
		d. Guidance on how to sum up forms completed throughout the offices carrying out the survey	(3) Working hours

	Work Step	Details of Work	Remarks
		e. Computations of reciprocals against sampling rate of the number of post offices for which the cost survey was carried out to all post offices. The total values of all post offices are estimated by multiplying the results of the survey by the reciprocals thus calculated.	
		f. Collection of necessary data for cost accounting of expenses and volume of work at Headquarters and Regional Offices.	
O	Trial assessment of cost accounting and analysis thereof	a. Carrying out a trial cost accounting on the basis of the survey carried out in Step N and using forms prepared in Step P.	This work has been started but not completed on account of data gathering constraints.
		b. Comparison between cost for the type of service and revenue.	
		c. Study concerning appropriateness, correctness etc., of the results of accounting.	
P	Putting in order the result of the cost accounting and reporting the result thereof	a. Putting in order the data relating to the cost accounting.	
		b. Preparation of a report for submission and explanation to the executives	
		c. Reporting	

Republic of the Philippines
Minsitry of Public Works, Transportation and Communications
Bureau of Posts, Manila

PSRS – 11
September 26, 1978

OFFICE ORDER NO. 107

SUBJECT : Local Counterpart Team for the Study on Postal Cost Accounting

Messrs. Shinichi Takeuchi and Tsutomu Ohno, postal experts from Japan will conduct studies on postal cost accounting for the Philippine Postal Administration, in connection with our request for technical assistance in that specialty area. To assist and coordinate with said experts in this activity, a counterpart team is hereby created composed of the following:

1. Mr. Jose R. Enverga
   Chief, Management Section, Financial and Management Division
   (Team Leader)

2. Mrs. Bernarda Fajardo
   Chief, Personnel Section Administrative Division
   (Member)

3. Miss Isabel Sanchez
   Management Analyst II, Management Section, Financial and Management Division
   (Member)

4. Mrs. Leonida Tejada
   Management Analyst I, Management Section, Financial and Management Division
   (Member)

5. Mrs. Eufemia Cabreros
   Budget Examiner III, Budget Section, Financial and Management Division
   (Member)

6. Mrs. Thelma Cabanilla
   Accountant I, Accounting Section, Financial and Management Division
   (Member)

7. Mr. Juanito Millare
   Postal Service Officer, Mail Operations Section, Operation Division
   (Member)

8. Mr. Carlos David
   Statistician III, Postal Service Research Section,
   Postal Planning Division
   (Member)

9. Mr. Gerardo Villaruel
   Senior Postal Service Officer, Mail Transportation Planning Section,
   Postal Planning Division
   (Member)

10. Mr. Crisostomo Reyes
    Postal Service Officer, Mail Transportation Planning Section,
    Postal Planning Division
    (Member)

All officials and employees concerned are hereby enjoined to extend full cooperation and assistance to the project team in order to facilitate the successful completion of the study.

FELIZARDO R. TANABE
Acting Postmaster General

III. RECOMMENDATIONS

[I] How to carry out Cost Accounting

1. Necessity of Cost Accounting

2. Organization and Methods of Cost Accounting

   (1) Organs taking charge of cost accounting
   (2) Time table for execution
   (3) Preparation of cost accounting manual
   (4) Improvement of employees' managerial skills/techniques

3. Cost Surveys

   (1) Arrangement of organized survey system
   (2) Number of post offices to be surveyed for costs
   (3) Consistent data gathering
   (4) What the guidance for surveys should be
   (5) Execution of planned surveys
   (6) Tabulation of survey results

4. Relationship between Cost Accounting and Work Measurement

[II] Offer of Right and Efficient Postal Service

1. Formation of Vital Organization

2. Establishment and Dissemination of Standard Working Method

[III] Relationship between Cost Accounting and Postage Rates

[I] How to Carry Out Cost Accounting

1. Necessity of Cost Accounting

For the production of goods and offer of services required in our daily lives, there is need for the consumption of materials and the exercise of manpower in greater or lesser degree. The value of material and manpower needed for the production of goods and the offer of services is known as a cost. In other words, "cost" is a pecuniary expression for the consumption of material and/or use of manpower in association with a certain benefit (the production of goods or the offer of services).

Cost accounting is a procedure to compute the amount of the cost per unit of benefit. In other words, cost accounting is a procedure to compute, per product or service, the cost incurred in the manufacture of a product or the offer of a service by the enterprise concerned.

The postal service is an enterprise of a highly conspicuous public character. Therefore, the rates for services offered must be made fair and reasonable on the basis of legitimate cost accounting. The postal service must also make effective use of the cost information gained on the basis of cost accounting, and give full play to its enterprise in order to satisfy the demands of the public.

Herein lies the necessity of cost accounting and its importance in the postal service.

2. Organization and Method of Cost Accounting

(1) Organs taking charge of cost accounting

a. In order to establish cost accounting as a firm system, it is indispensable to set up an organization which shall take charge of this task, not an ad hoc body like a project team.

b. In founding the organization, it is desirable to set up the said unit under a managerial department rather than a budgeting or accounting department, since cost accounting requires not only skill in dealing with figures (financial and accounting) but also a braod and sound knowledge of the actual conditions of operation and management of the entire postal service, such as volume of work, manpower needed, field operation, etc.

Located at the Central Office, this independent unit should be staffed by three officials. At the regional level, specific units may be assigned to take charge of this task. In this way, the cost accounting project can be carried out smoothly from the preparatory stage to regular cost accounting.

(2) Timetable for executing cost accounting

Since cost accounting is carried out on a yearly basis, using not only the entire expenditure and revenue data throughout the fiscal year concerned but also all other pertinent data of the postal service, a relatively long preparatory period is required before executing regular cost accounting. This is a characteristic of cost accounting which differs from other general business operations.

At the present stage, it is reasonable to consider, for the time being, a preparatory period and a cut-off period for implementing regular execution of cost accounting as shown in the Table below.

Stage / Year / Organ	Preparatory Period		Regular Enforcement
	1978	1979	1980
Central Office	1. Basic study concerning intsoduction of cost accounting in the postal service 2. Execution of various cost related surveys on a trial basis 3. Designing cost accounting system in the Bureau of Posts	1. Establishment of systematic organization for cost accounting 2. Giving guidance to Regional Offices and Central Post Office, DSMDC, FSMDC, ADC etc. 3. Preparation of cost accounting manual 4. Execution of basic coefficient surveys (indoor and outdoor work etc.) 5. Execution of trial cost accounting on the basis of 1978 data	Execution of regular cost accounting on the basis of CY 1979 data
Regional Office		1. Setting up of organization 2. Carrying out survey and tabulation of results of the survey for data concerning revenue, expenditure, etc. 3. Establishment of survey system at the post offices under the jurisdiction of the regional office	Examination of collected data
Post Office	Cost survey on a trial basis (mail volume, working hours)	Cost survey on a trial basis	Execution of regular cost survey

In short, the year 1978 may be considered as a stage for basic study and experiment, the year 1979 as the time for (1) formation of cost accounting organization, (2) execution of basic coefficient survey, such as surveys for equivalent coefficient for indoor and outdoor operations and (3) preparatory period for trial cost accounting on the basis of 1978 data and examination thereof. In other words, this schedule is to proceed regular cost accounting starting the year 1980.

(3) Preparation of cost accounting manual

A cost accounting system may vary depending on its purpose. However, the cost accounting system devised by our study team aims at a calculating system to meet requirements for:

1. providing necessary and useful data to improve managerial efficiency
2. providing necessary data for reasonable rate-fixing
3. possible changes in budgeting and accounting system in the future (for example: a change from present postal service budgeting and accounting system as an administrative organ of the government body to a self-supporting government entity)

What is important at present is, first of all, to clarify the immediate necessity and purpose of cost accounting and then prepare a guide or manual which fully meets the requirements of the present cost accounting purpose.

(4) Improvement of employees' managerial skills/techniques

Cost accounting begins with surveys for various data and then proceeds to tabulation and calculation. Fully to realize the purpose of cost accounting, it is necessary and important for employees engaged in this work to improve their knowledge and technique of analysis, which will make it possible for them to understand what the calculation results mean, since cost accounting results always reflect the actual situation of the entire service operation and the problems faced in various aspects of the service. But it is not enough to make calculation results only according to the procedure provided by the cost accounting manual. If the work ends only in calculating results, then it can be simply said that the work is carried out by machines instead of men.

3. Cost Surveys

(1) Arrangement of organized survey system

Cost surveys (surveys related to cost accounting) are carried out regularly every year in almost in the same manner, except where changes are introduced in the accounting method. However, as there are many different surveys throughout the year, and as each survey has its own survey period and is carried out in a fixed period, it is important to keep track of each survey time of the month or of the year.

Consequently, the department in charge of cost accounting at the Central Office should bear in mind the importance of a closer coordination not only between the Central Office and Regional Offices, but also the regional and district post offices. At the same time, it is necessary to inform the Central Office immediately whenever a question arises, especially at the post office level, as regards the execution of surveys concerned. At the same time, it is very important for the Central Office and Regional Offices to take leadership and give continuous guidance to post offices.

On account of this, we recommend that a unit or section which shall be responsible for cost accounting be appointed in the regional office and also, in the post office, especially in a large scale office. We further recommend the assignment of employees in each post office to take charge of cost accounting and other related surveys.

Without establishing this systematic survey organization, it will be difficult to carry out an accurate survey and submit speedy reports thereon.

As a part of our study, we sent several survey sheets to nearly 300 post offices of all calssifications with regard to mail volume by type of mail service, working hours and contents of mail bags. Unfortunately, replies have not been satisfactory, as only 134 responded. It is safe to assume that the main reason for this result is that the survey sheets were forwarded directly from the Central Office to the post offices because of time constraints. Another may be that some post offices surveyed by mail had a relatively difficult time in completing the forms accurately and quickly, owing to lack of experience.

This experience will be a good point to reflect on in creating a systematic survey organization in the future.

(2) Number of post offices to be surveyed for costs

As it is always impossible to gather all necessary data used for cost accounting from available sources, it is necessary to perform separate surveys for required data.

Post offices which perform these surveys are called "cost survey offices". It is not necessary to designate all post offices as cost survey offices, for sampling techniques can be used to attain certain objectives. By applying the statistical sampling theory, the total costs of post offices of all over the country can be projected on the basis of survey results taken from a relatively small number of post offices.

Having computed experimentally, during the study, the number of cost survey post offices theoretically required, using available data taken from a number of regions, the results showed a fairly big number of post offices (more than 300). Conseuquently, it is necessary to place this aspect under further study and examine it from various points of view, along with the method of stratification or classification of post offices, and a computation of results through data taken from all post offices in the country, etc., may be resorted to.

In the meantime, it will be advisable to begin with a reasonable number of sampled offices (from some 150 to 200 post offices), with a bigger percentage of large-scale post offices and a relatively smaller percentage of small ones, without relying simply on theoretical sampling operations, after fully resolving questions and constraints on work volume, expenses entailed, giving guidance to post offices, and tabulating within the number of sampled offices on the basis of the theoretical sampling method.

After formally establishing a stable cost accounting system in the service, the number of sampled offices should be increased to the theoretically required number, so that the cost accounting results can provide management with more perfect information for decision-making.

(3) Consistent data gathering

In gathering the various data for carrying out a cost accounting, it often happens that the necessity for those data is over emphasized. Because of that it will be necessary to give some consideration to avoid burdening the Central Office, regional offices, and particularly post offices, with heavy loads of superfluous work. In order to avoid this evil, it is indispensable to ascertain what kinds of monthly reports are made, or what kinds of regular surveys are carried out, at each level of the post offices, regional offices and the Central Office — for example, various kinds of regular statistics or monthly reports prepared by post offices, and the SSPO survey reports, etc.

After examining all such available data, an all-round coordination with divisions of the Central Office and all levels of the Bureau of Posts is necessary to build up a close connection with each other, so that duplication of data or requests for unnecessary data or over-complicated data and too detailed or too vague data do not occur.

Details of surveys and the survey period required for cost accounting can then be decided.

(4) What the guidance for surveys should be

When certain data are collected for general purposes of routine work, no importance is normally attached to giving guidance to the field offices concerned. However, in cases where surveys are carried out for the purposes of cost accounting, it is naturally, necessary to give sufficient explanation regarding details of surveys, survey method to be followed, etc. At the

same time, it is desirable to visit the field offices concerned for the purpose of giving guidance and to prepare a descriptive pamphlet to explain the necessity of cost accounting, the purposes, how the results of the surveys are used in the process of cost accounting, how the results of cost accounting are used in the future etc. By doing so it becomes possible to create an understanding of service management and to stimulate the enthusiasm of the employees concerned.

(5) Execution of planned surveys

Several surveys were not undertaken during the study for one reason or another such as time constraints, etc. The following surveys are indispensable in operationalizing cost accounting:

a. Equivalent coefficient survey for indoor operations:
This survey is conducted to measure the time required per item by type of mail service for each step of operations such as acceptance of mail at the counter, sorting, dispatching, arrival of dispatches etc. (The survey carried out by the Takamura Mission in 1977 aimed at calculating the appropriate staff strength corresponding to a given work volume. This survey, by its nature, does not clarify differences in working efficiency between the various types of mail services.)

b. Equivalent coefficient survey for outdoor operations:
This survey is conducted to measure the working time required by the Letter Carrier by type of mail service for indoor preparation and outdoor operations. In other words, this survey is carried out to reflect differences of working time as to cost.

A registered item, for example, takes much more time than ordinary mail items both in indoor preparation (before going out to delivery area) and actual delivery, the letter carrier being bound by procedures such as those followed after returning to the office. Detailed explanation regarding survey method, survey sheets and procedure for tabulation of both a. and b. above have been described under I, [1] of Part 3.

As to survey a., the above results of the Takamura Mission ("Work Measurement") may be put to practical use, and as to survey b., the experience gained in some post offices at which surveys were experimentally carried out in November 1978 may come in handy.

It is important to carry out these surveys after due examination of the said results and of actual experiences in the field.

c. Surveys for free franked mail volume:

At present, mail items posted by a certain government agencies are handled free of charge. This fact is not a question, since the execution of the national budget affects all governmental organizations, including the Bureau of Posts. However, in examining postage rates, it will be necessary to know the volume of mail items posted under the franking privilege.

In other words, costs entailed in handling mail items posted by these government organizations, except those of the postal service itself, have the characteristic of not being recoverable from postage paid by postal users, but must be transferred directly from the government organizations concerned.

In conducting this survey, it is desirable to recommend either of the following courses of action:

(a) to have the government organizations concerned submit a report on the number of items posted, or

(b) to carry out the survey together with the regular mail volume survey.

NOTE: On the other hand, there are many cases where the Postal service uses a part of a building, or consumes light, water etc., in offices owned by the government. For these cases it is recommended that the Bureau of Posts calculate possible costs by conducting such surveys as "Post Office Space Survey".

(6) Tabulation of survey results

In carrying out various surveys, we tend to overlook the all-important phase of tabulating survey results.

In cost surveys, too, the method and procedure for tabulation of survey results should be well-examined so that the tabulated results are obtained systematically and smoothly, especially in cases where the survey scale is bigger.

There are various ways in carrying out tabulation of survey results, such as hiring a private tabulating company, using computers of the Bureau of Posts, working through the cost accounting unit at the Central Office or distributing work load at each level of Central, Regional and Post Offices, etc. However, from the standpoint of expenses and working hours required for tabulation, and for reasons of secrecy etc., for the time being, it is advisable to employ a method by which tabulation is performed at the unit in charge of cost accounting in the Central Office, at the same time using the regional organizations.

From our experience during the study, it may be anticipated that when regular cost accounting comes into force, and with increment of data to be tabulated, officers in charge may be occupied by the tabulating work, and thus may not be able to analyze the results. This unfavourable condition is likely to occur.

Consequently, it is necessary to study a tabulation method which uses the computer system in the Bureau of Posts, while taking into account the expenses incurred in tabulation work and its effect, and also the time required, etc. Further, if the computer is made available in the future, provisions should be made in view of the modern computer technics, to enlarge the work by computer so as to include not only cost accounting but also various computations for continuous analysis on a priority basis.

4. Relationship between Cost Accounting and Work Measurement

Work measurement is the method to calculate a required work volume, applying a statistical method, when mail items are processed under a standard and "average efficiency" operation.

In order to establish a standard and average efficiency operation, detailed surveys at many post offices of all classifications, and under various conditions, are necessary. As regards work measurement, the 1977 Takamura Mission carried out measurements on unit efficiency, processing time required per item and work volume by step of operation at several post offices.

On the other hand, in cost accounting, costs by type of mail service are calculated on the basis of average processing time required per item by type of mail service, and the differences in weight, and capacity per item among the types of mail service are also surveyed.

Work measurement and cost accounting have common characteristics in the sense that both measure the work load in mail operation by steps, and count the number of mail items by step of operation. However, in work measurement calculation, the types of mail service are not considered directly, while in cost accounting, differences in working efficiency between types of mail service are a critical factor.

There are similarities between the two activities and there are also significant differences. Basically, work measurement aims at computing the required work volume, under suitable or average working conditions to arrive at a reasonable efficiency, after taking into account various factors which more or less affect processing efficiency, such as the size of post offices, etc., which are reduced to quantifiable terms.

On the other hand, cost accounting seeks to assess or estimate all values such as staff strength, property, service etc., and the various values thus assessed are regarded as costs.

One of the purposes of cost accounting is to provide useful data to improve managerial efficiency. There are two methods of examining management trends, using the cost accounting results. The first one is to examine how management style has changed with the passage of time (year by year) from the standpoint of cost trends. Another method is to analyze the differences between expected costs computed under "reasonable efficiency and suitable working conditions" and actual cost accounting results.

Costs assessed under "reasoanble efficiency and suitable working conditions" are called Standard Costs, and this costing method belongs to the advanced cost accounting system. In either case, ascertaining quantitatively "reasonable efficiency under suitable working condi-

tions" will enhance labor-management aspects in the labor intensive postal service. Further, computation of staff strength on the basis of "average efficiency" serves to check the impalance of staff distribution between post offices. Moreover, in relation to cost accounting, survey data can be interchangeably utilized, by both calculations, while results of computation provide mutually useful information.

Under these circumstances, we hope that the survey for establishment of work measurement will be continued.

[II] Offer of Right and Efficient Postal Service

1. Formation of Vital Organization

If we observe at close range the operation at post offices, we may find that each employee performs the assigned task to the best of his ability. However, if we look at the whole operation from the systematic and organizational viewpoint, we may find that some parts of operation are not efficiently carried out. For example, when mail flow concentrates on a certain specific sorting area, the employees in charge have their hands full with such mail handling while some employees within the same unit or section are unoccupied and waiting for the arrival of another mail dispatch.

Each section or unit is expected to maximize its efficiency, even under limited staff strength. And, if any section or unit cannot work as expected, the cause should be traced. Of course, such a situation may be attributed to lack of equipment or poor working conditions, etc. However, the main cause of this problem may be, firstly, an unstandardized working method, secondly, and more significantly, a lack of on-the-spot instructions given by the supervisors concerned to their subordinates. In other words, there is no Standard Operating Procedure.

Under the present working method, progress on the work assigned to individual employees largely depends on each employee's individual judgement and attitude. Consequently, even for the supervisory official in charge, it is sometimes difficult to predict the approximate time required for processing a certain mail volume. Under these circumstances, supervisory officials have to rely on individual working performance. It will be necessary for supervisory officials to adopt a more positive managerial attitude, utilizing more systematic handling of employees, which will improve performance.

It is difficult to achieve efficient mail operation without a management system in which labor strength can be flexibly and systematically utilized depending on the circumstances or more urgent necessity.

In the postal service where parformance is heavily dependent on manpower, individual employees must be aware of the mission assigned to them and, at the same time, it is very important for supervisory officials themselves to realize and practice their real role.

Under these circumstances, in order to attain efficient management of the service

and to develop further this postal service, it will be vitally important to disseminate a standard working method among employees through various trainings and seminars, i.e., on the job training, etc., and at the same time to inculcate the right attitude for optimum and systematic disposition of employees.

2. Establishment and Dissemination of Standard Working Method

During our observation at the various post offices in the course of this study, we noticed serveral practices in sorting, such as stance, movement, the manner of holding mail items etc., which vary from one employee to another. The arrangement of sorting cases (pigeon holes) is not always suitable because mail items are sometimes placed mostly in the upper portions and/or on either side of the sorting case, which hampers the movements and stance of sorters. Another observation is that, in transferring sorted items (already faced) to other places, they are placed in boxes or bags without tying and in a disorderly manner. In some cases, mail items are pilled up on the segregating table, which makes the segregation, culling or facing operation difficult.

In the mail delivery section, we found that there was no list of the residents or firms in each delivery area, and delivery operations are performed relying only on the experience of individual letter carriers and guided by procedures handed down by tradition. Performing repetitive motions renders the worker tired and inconvenienced; thus the job becomes routine with the increase of mail volume, and by its nature sorters tend to develop their own stance or manner of working. A Standard Working Method evolved through a Time and Motion Study etc., is a rational method devised in such a manner that employees can work accurately and speedly with ease, in view of the fact that mail operation work is characterized by repetition of movements and transfers of mail items. This Standard Working Method cannot be learned by mere reading. The most important thing here is to follow this method by actual practice and become accustomed to it.

The need to standardize the working method is not a problem of the postal service alone but also, and especially, in the assembly line operation of automotive and machinery industries. A good example of this is in military training, where this method is strictly followed. Without this standard working method, objectives of the work cannot be attained. In fact, such a deficiency sometimes leads to accidents and the loss of human life. Consequently, as a sound policy, both management and labor should devise, follow, and make part of daily routine such a working method to protect the interests of both sides.

In the postal service, no danger to human life may be imminent; however, in standardizing and promoting working methods, the achievement of optimum effects (improvement of the quality of mail service) with less labor expenses is possible.

The establishment and dissemination of a Standard Working Method will also contribute greatly to the goal of the postal service, which shares a significant part of the common obligation to work for the welfare of the community.

Further, also from the cost accounting standpoint, establishment of a Standard Working Method leads to standard cost accounting.

From the foregoing, it is clear that both administrative offices and post offices working together should seek the establishment and dissemination of a Standard Working Method.

[III] Relationship between Cost Accounting and Postage Rates

Postage rates in the postal service differ in character depending on the country where the service operates. In cases where a self-supporting system is employed, it is a general practice that all expenses needed for the management and operation of the service are covered by the revenue.

However, in cases where the balance between revenue and expenses is left out of consideration, as in this Postal Service, in order to provide the public with a good quality of service at a low level of postage rate, the following may be offered for consideration:

In order to ensure the provision of postal service to the public throughout the country, post offices have to be established not only in the big cities but also in all parts of the country. In this country at least, post offices in rural areas have to be operated without any thought of profit.

As the postal service is expected to have this wide-spread characteristic, it will be necessary to consider separately the expenses entailed in management and operation as institutional costs (fixed costs) entailed in the maintenance of postal service, and variable costs which increase in proportion to the increase in mail volume.

As the institutional cost is an expense entailed by administrative activities similar to other administrative works, it has to be met or subsidized by the general fund. On the other hand, as the other expenses are costs originating from the operation of mail, which are variable, it will be advisable to consider these expenses as recoverable from postage revenue.

Actually, it is difficult to decide what part of the total management and operational expenses should be regarded as institutional costs, and what part as variable costs, without the establishment of a scientific and rational cost accounting system.

As to how the cost accounting results in the postal service should be reflected by the separate postage categories of various types of service, there is no hard and fast rule. However, in general, it may be stated that, in fixing the postage rates for different kinds of mail service, cost is not the only factor considered but, at the same time, the following are also taken into account:

- Bearable level of postage by the general public (ability to pay)
- Service value
- Historical and cultural significance in the country
- Competition with other communication and transportation means
- Policy of the National Government

This is the role of cost accounting in fixing postage rates.

Now the following are some of the methods by which to improve the relationship between revenue and expense:

(1) To increase postage rates (including revision of postage rating structure)
(2) To decrease expenses by improving working efficiency
(3) To increase demand by the mail users (increment of revenue)

(1) To increase postage rates (including revision of postage rating structure) is a direct and easy method in attempting improvement of revenue and expense relationship. This method may have an immediate effect on revenue to tide over a current financial crisis; however, without zealous managemental efforts, this increase of postage rates, which may impose an additional burden on the public, will inevitably cause a decrease in postal demand. In the long run, this will have some negative effects on the postal service.

Consequently, it is very important to explain to the public with sufficient and convincing data that the present postage rates level is low from the stand point of cost accounting results and that, for this reason, the post office cannot provide such service as the general public expect, even though managerial efforts have been exhaustive in all aspects of the service by the Bureau of Posts.

Further, apart from postage rates increase, if there is any problem in the rate structure of various types of service from the standpoint of the results of cost accounting, it is necessary to reexamine the said rate structure to make it reasonable and suitable.

For example, the postage for second class mail items is at present 0.30 Peso per kg. During our survey at certain post offices, we observed several 2nd class mail items which weighed only about 20 grams each and these items were cylindrical in shape. When we calculate postage for these items, it becomes nearly 0.006 Peso (0.30 Peso x 20 grams/ 1,000 grams) each.

Of course, serious attention should be given to the historical and cultural significance of second class mail; however, the Bureau of Posts should not be left to shoulder the financial burden alone, since it has only limited funds for operations.

Further, from our experience, those cylindrical and small items take much time to handle, compared with regular sized 1st class mail items. Consequently, the cost for handling those mail items tends to become larger than others.

(2) To decrease expenses by improving working efficiency

In labor intensive postal service, whether labor strength is effectively used or not directly reflects upon productivity. We have already mentioned the necessity of standardization of working methods and vitalization of organization. After those requirements have been firmly established in the postal service, it will then be possible for service efficiency to be greatly improved, and cost per item of mail will also be greatly decreased.

Needless to say, in introducing these measures, until a firm base is established in the postal service, the burden for expenses, working hours etc., will be considerable, but these expense can be recovered in the long run, and the effect of the establishment of these measures can be expected to increase.

(3) To increase demand by mail users (increment of revenue)

By improving the quality of mail service, demand will increase and, naturally, revenue will also increase.

Improvement of service efficiency (see item (2) mentioned above) can be rephrased as improvement of mail service quality. As a result, public confidence in the postal service will be stimulated and, gradually, public demand will increase.

At present, the postal service in Metro Manila is in close competition with private messenger services. Basically, the postal service in big cities is in a very favorable or profitable position. If the postal market is thus encroached upon (we call this "cream skimming"), in the future, the postal service will be faced with a radical increase of postage rates, otherwise it will have to rely largely on income derived from taxes.

However, if a safe, accurate and speedy mail service is secured in the big cities like Metro Manila, future development of competitive relations with other similar services will be favorable for the postal service.

Cost accounting then aims to provide data relating to this management efficiency.

PART 2.

COST ACCOUNTING SYSTEM

DESIGNED FOR THE BUREAU OF POSTS

I Flow Chart of the Cost Accounting Procedure

(1) Characteristics

a. For the Central Post Office, DSMDC, FSMDC and ADC which assume a pivotal role in mail service operation, an individual cost accounting system separate from other post offices was employed in order to make it possible to perform economic and efficiency comparison among the organizational units on one hand and other distribution centers and post offices, on the other.

b. Both the Cost Accounting System and Calculating Method designed by this study group have been provided flexibility so that the system and calculating method can satisfy various purposes.

c. In carrying out cost accounting, all available data are used to the utmost.

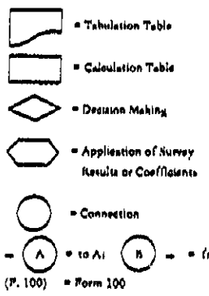
(2) Cost Accounting system and flow chart

The following is the computing procedure expressed in a flow chart of the cost accounting system designed for the postal service in the Philippines. The flow chart is divided into 78 detailed steps and each step is numberd sequentially. From Step No. 1 to Step No. 15 is the first stage of the cost accounting which is devoted to ascertaining total cost. From Step No. 16 to No. 27 is the second stage for ascertaining cost by department and from step No. 28 to No. 78 is the final stage (3rd stage) for ascertaining cost by type of service.

COST ACCOUNTING FLOW CHART

Note:

1. Legend of Chart

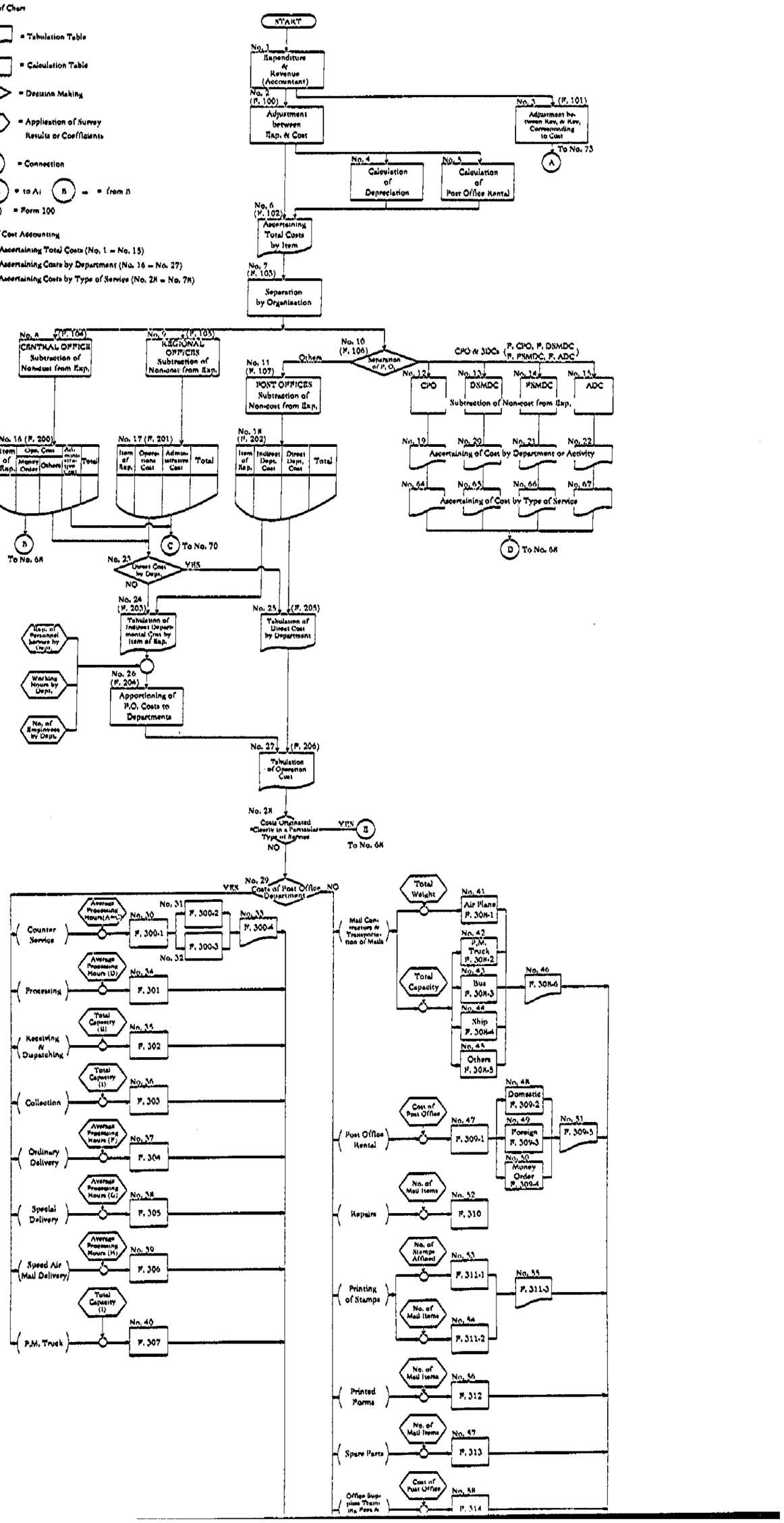


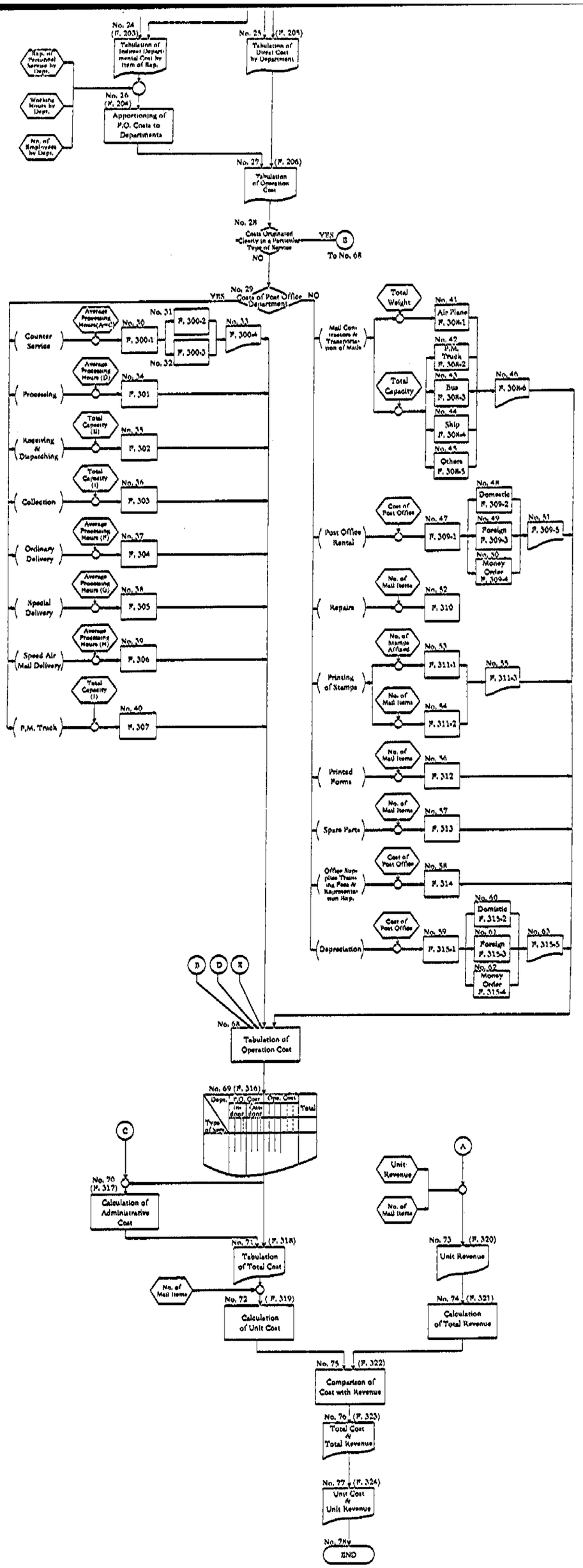
2. Process of Cost Accounting

Step 1: Ascertaining Total Costs (No. 1 – No. 15)

Step 2: Ascertaining Costs by Department (No. 16 – No. 27)

Step 3: Ascertaining Costs by Type of Service (No. 28 – No. 78)




No. 24 (F. 203)
Tabulation of Indirect Departmental Cost by Item of Exp.
No. 25 (F. 205)
Tabulation of Direct Cost by Department
Exp. of Personnel Service by Dept.
Working Hours by Dept.
No. of Employees by Dept.
No. 26 (F. 204)
Apportioning of P.O. Costs to Departments
No. 27 (F. 206)
Tabulation of Operation Cost
No. 28
Costs Originated Clearly in a Particular Type of Service
YES
NO
B
To No. 68
No. 29
Costs of Post Office Department
YES
NO
Counter Service
Average Processing Hours (A+C)
No. 30
F. 300-1
No. 31
F. 300-2
No. 32
F. 300-3
No. 33
F. 300-4
Processing
Average Processing Hours (D)
No. 34
F. 301
Receiving & Dispatching
Total Capacity (E)
No. 35
F. 302
Collection
Total Capacity (I)
No. 36
F. 303
Ordinary Delivery
Average Processing Hours (F)
No. 37
F. 304
Special Delivery
Average Processing Hours (G)
No. 38
F. 305
Speed Air Mail Delivery
Average Processing Hours (H)
No. 39
F. 306
P.M. Truck
Total Capacity (I)
No. 40
F. 307
Mail Conveyance & Transportation of Mails
Total Weight
Total Capacity
No. 41
Air Plane
F. 308-1
No. 42
P.M. Truck
F. 308-2
No. 43
Bus
F. 308-3
No. 44
Ship
F. 308-4
No. 45
Others
F. 308-5
No. 46
F. 308-6
Post Office Rental
Cost of Post Office
No. 47
F. 309-1
No. 48
Domestic
F. 309-2
No. 49
Foreign
F. 309-3
No. 50
Money Order
F. 309-4
No. 51
F. 309-5
Repairs
No. of Mail Items
No. 52
F. 310
Printing of Stamps
No. of Stamps Affixed
No. 53
F. 311-1
No. of Mail Items
No. 54
F. 311-2
No. 55
F. 311-3
Printed Forms
No. of Mail Items
No. 56
F. 312
Spare Parts
No. of Mail Items
No. 57
F. 313
Office Supplies Thermal Fees & Representation Exp.
Cost of Post Office
No. 58
F. 314
Depreciation
Cost of Post Office
No. 59
F. 315-1
No. 60
Domestic
F. 315-2
No. 61
Foreign
F. 315-3
No. 62
Money Order
F. 315-4
No. 63
F. 315-5
D
D
E
No. 68
Tabulation of Operation Cost
No. 69 (F. 316)
Dept.
P.O. Cost
Type Cost
Total
Type of Serv.
C
No. 70 (F. 317)
Calculation of Administrative Cost
No. 71 (F. 318)
Tabulation of Total Cost
No. of Mail Items
No. 72 (F. 319)
Calculation of Unit Cost
A
Unit Revenue
No. of Mail Items
No. 73 (F. 320)
Unit Revenue
No. 74 (F. 321)
Calculation of Total Revenue
No. 75 (F. 322)
Comparison of Cost with Revenue
No. 76 (F. 323)
Total Cost & Total Revenue
No. 77 (F. 324)
Unit Cost & Unit Revenue
No. 78
END

II Forms to be used

The following tables are the tabulating froms to be employed in the cost accounting, and are arranged in the order of the cost accounting procedure.

The contents and the significance of these forms may be well understood if they are duly examined, together with the flowchart.

In the middle of this chart, factors to be employed as criteria for apportioning costs to various cost departments and to the various types of service are described in a table (See. Reference of Table 1).

Due to lack of available space, complete models of tables or forms have not been shown; however, the basic elements of each table or form are fully covered in this chapter. Consequently, there will be no difficulty in preparing these tables and forms in practice.

The cost accounting team held earnest and detailed discussions, concerning the preparation of these tables and forms. However, all members of the team wish that, in executing a cost accounting in practice, these tables and forms be suitably, improved, deleting any unnecessary parts.

[I] General

Forms to be used for the cost accounting in the ordinary post office

First of all, items of cost and those of revenues for the cost accounting have to be determined.

Table of Comparison for Expenditure with Cost by Item

Item of Expenditure					Code
I	Personnel Services	Salaries	Permanent		1
			Casual		2
		Allow-ances	Uniform		3
			Post		4
		Overtime			5
		Life & Retirement			6
					7
		Sub Total			8
II	Maintenance & Operational Expenses	Traveling Expenses			9
		Sundries	Gasoline Allowance		10
			Bicycle Allowance		11
			Mail Contractor		12
			P.O. Rental	Paid	13
				Free	13-1
			Telephone and Telegraph	Paid	14
				Free	14-1
			Transportation of Mail		15
			Repairs		16
			Traning Fees		17
			Representation Expenses		18
			Printing Stamps		19
		Sub Total			20
III	Supplies and Materials	Printed Forms			21
		Light & Water			22
		Gasoline			23
		Spare Parts			24
		Office Supplies			25
					26
		Sub Total			27
IV	Equipment Outlay				28
TOTAL					29

Item of Cost			Code
I	The same items as the left hand side		1
II			
III			27
IV	Depreciation	Building	28
		Delivery Equipment	29
		Office Equipment	30
TOTAL			31

. Table of Comparison for Revenue by Item with Revenue Corresponding to Cost

Item of Revenue			Code
I	Operating & Service Income	Stamp Sales	1
		First Class Mail	2
		Second Class Mail	3
		Third Class Mail	4
		Metered Mail	5
		Box Rentals	6
		Storage Fees	7
		Business Reply Envelope	8
		Money Order Fees	9
		Telegraphic Transfer Fees	10
		Miscellaneous	11
II	Miscellaneous Income	Prior Years' Credit	12
		Fines & Penalties	13
		Others	14
III	Sales of Fixed Assets		15
TOTAL			16

Item of Revenue Corresponding to Cost			Code
I	Operating & Service Income	Stamp Sales	1
		First Class Mail	2
		Second Class Mail	3
		Third Class Mail	4
		Metered Mail	5
		Box Rentals	6
		Storage Fees	7
		Business Reply Envelope	8
		Money Order Fees	9
		Telegraphic Transfer Fees	10
		Miscellaneous	11
II	Miscellaneous Income		
		Others	14
III			
TOTAL			

Table of Expenditure & Cost

Form 100

Category		Amount
Item of Expenditure	I Personal Services a. Salaries Permanent Casual b. ⋮ II Maintenance & Operating Expenditure ⋮ III Supplies & Materials ⋮ IV Equipment Outlay	
Total (Expenditure)		
Adjustment between expenditure & Cost	Additional Depreciation (+) Post Office Rental Free (+) Telegraph Charge of Free (+)	
Total Cost		

Table of Rev. & Rev. Corresponding to Cost

Form 101

Category		Amount
Item of Revenue	I Operating & Service Income Stamp Sales 1st Class Mail Permit ⋮ II Miscellaneous Income Prior Years Credit Fines & Penalties ⋮ III Sales of Assets ⋮	
Total (Revenue)		(1)
Adjustment	Revenue Not Corresponding to Cost by Item of Exp. (−)	(2)
Total Revenue *		(1) + (2)

* Shows Revenue Corresponding to Cost

Table of Ascertainment of Total Cost by Item

Form 102

Item of Expenditure			Code	Total Amount
Personnel Services	Salaries	Permanent	1	
		Casual	2	
	Allowance	Uniform	3	
		Post	4	
	Overtime		5	
	Lefe & Retirement		6	
			7	
	Sub Total		8	
	⋮		⋮	⋮
Supplies and Materials	Printed Forms		21	
	Light & Water		22	
	Gasoline		23	
	Spare Parts		24	
	Office Supplies		25	
			26	
	Sub Total		27	
Depreciation	Building Equipment		28	
	Delivery Equipment		29	
	Office Equipment		30	
Total			31	

Separation of Cost by Organizations

Form 103

Item of Expenditure	Total Amount	Post Offices	Regional Offices	Central Office
Salaries Allowances Overtime ⋮ Transportation of Mails ⋮				
Total				

Central Office
Subtraction Non-Cost Expenditure

Form 104

Classification / Item of Expenditure	Non-Cost Expenditure	Cost
Salaries Allowances ⋮		

Regional Offices
Subtraction Non-Cost Expenditure

Form 105

Classification / Item of Expenditure	Non-Cost Expenditure	Cost
Salaries Allowances ⋮		

Caclulation of Other Post Offices' Cost

Form 106

Item of Expenditure	Total of P.O. Cost (1)	CPO (2)	DDC (3)	RDC (4)	ADC (5)	FDC (6)	Other P.O.'s (1)–(2)–(3)–(4)–(5)–(6)
Salaries Allowances Overtime ⋮ Transportation of Mails ⋮							
Total							

Post Office
Subtraction Non-Cost Expenditure

Form 107

Classification / Item of Expenditure	Non-Cost Expenditure	Cost
Salaries Allowances ⋮		

Central Office Cost by Department

Form 200

Item of Expenditure	Operations Cost		Administrative Cost	Total
	Money Order	Others		
Salaries Allowances Overtime ⋮ Transportation of Mail ⋮				
Total				

Regional Offices Cost by Department

Form 201

Item of Expenditure	Operations Cost	Administrative Cost	Total
Salaries Allowances Overtime ⋮ Transpotation of Mail ⋮			
Total			

Table of Post Office Cost by Item

Form 202

Item of Expenditure	Post Office Cost (Excluding CPO & 3DC's)	Items of Post Office Cost	
		Indirect Department Cost	Direct Department Cost
Salaries Allowances Overtime ⋮ Transportation of Mails ⋮			
Total			

Tabulation of Indirect Department Cost

Form 203

Item of Expenditure	Post Offices (Excl. CPO & 3DC's)	Regional Offices	Central Office	Total
Salaries Allowances Overtime ⋮ Transportation of Mails ⋮				
Total				

The following table shows that each cost should be apportioned to the appropriate cost department by means of the criteria applicable depending upon purpose and characteristics.

Table for Apportioning of Costs to Departments (Operations Costs)

Table 1

Ref: Form 204

Department / Item of Costs		Post Office Cost							Transportation		Others		Criteria to be used for apportioning of cost
		Indoor			Outdoor								
		Counter Service	Processing	Receiving Dispatching	Ordinary Delivery	Special Delivery	Speed Air Mail Delivery	Colleciton	P. Mail Truck	Others	Money Order	Others	
I. Personnel Services											*2	*1	
a. Salaries													
Permanent	1	O	O	O	O	O	O	O	O	–	(O)	–	On the Basis of the Distribution of Employees or working Hours
Casual	2	O	O	O	O	O	O	O	O	–	(O)	–	
b. Allowances													
Uniform	3	O	–	–	O	O	O	O	O	–	–	–	
Post	4				O	O	O	O		–	–	–	
c. Overtime	5	O	O	O	O	O	O	O	O	–	(O)	–	
d. Life & Retirement	6	O	O	O	O	O	O	O	O	–	(O)	–	On the Basis of the Distribution of "Salaries" (I. a)
	7												
	8												
II. Maintenance & Operational Expenses													On the Basis of the Distribution of Expenses to the Columns above
a. Traveling Expenses	9	O	O	O	O	O	O	O	O	–	(O)	–	
b. Sundries													
Gasoline Allowances	10	–	–	–	O	O	O	–	–	–	–	–	On the Basis of the Distribution of Employees
Bicycle Allowances	11	–	–	–	O	O	O	–	–	–	–	–	
Mail Contractor	12	–	–	–	–	–	–	–	–	O	–	–	Direct (by Mode of Travel)
P.O. Rental	13	–	–	–	–	–	–	–	–	–	–	O	Direct
Telephon & Telegraph	14	O	O	O	O	O	O	O	O	–	(O)	–	On the Basis of the Distribution of Expenses to the Columns above

Ref: Form 204

Item of Costs \ Department		Post Office Cost							Transportation		Others		Criteria to be used for apportioning of cost
		Indoor			Outdoor								
		Counter Service	Processing	Receiving Dispaching	Ordinary Delivery	Special Delivery	Speed Air Mail Delivery	Colleciton	P. Mail Truck	Others	Money Order	Others	
Transporation of Mail	15	–	–	–	–	–	–	–	O	O	–	–	Direct (by Mode of Travel)
Repairs	16	–	–	–	–	–	–	–	–	–	–	O	Direct
Training Fees	17	–	–	–	–	–	–	–	–	–	–	O	Direct
Representation Expenses	18	–	–	–	–	–	–	–	–	–	–	O	Direct
Printing Stamps	19	–	–	–	–	–	–	–	–	–	–	O	Direct
	20												
III. Supplies & Materials													
a. Printed Forms	21	–	–	–	–	–	–	–	–	–	–	O	On the Basis of Number of Employees
b. Light & Water	22	O	O	O	O	O	O	O	O	–	O	–	In Accordance with Quantities Consumed or no. of Mail Items
c. Gasoline	23	–	–	–	–	–	–	O	O	–	–	–	
d. Spare Parts	24	–	–	–	–	–	–	–	–	–	–	O	Direct
e. Office Supplies	25	–	–	–	–	–	–	–	–	–	–	O	Direct
	26												
	27												
IV. Depreciation													
a. Building	28	–	–	–	–	–	–	–	–	–	–	O	Direct
b. Delivery Equipment	29	–	–	–	–	–	–	–	–	–	–	O	Direct
c. Office Equipment	30	–	–	–	–	–	–	–	–	–	–	O	Direct
Total	31												

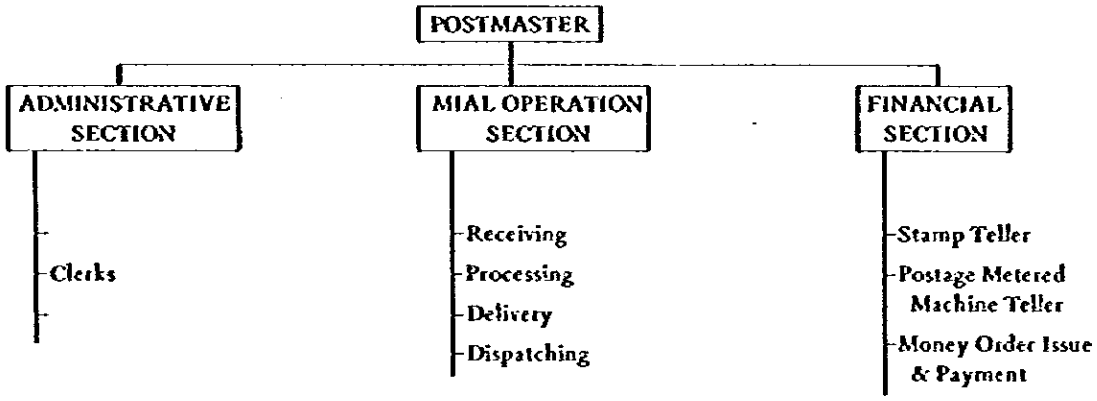
(Note) 1. "1. "Others": These expenditure are apportioned directly to each "Type of Service" in accordance with characteritcs of expenditures but are not apportioned to the cost departments.

2. "2. "Mony Orders": The amounts entered under the column "Money Order" of Form 200 are transfered to this column.

3. "O" signifies the cost departments to which expenditures are apportioned and "–" signifies the cost departments to which expenditures are not apportioned.

[REFERENCE]

Organizational Chart (Standard P.O.)



Standard P.O. (as classified)

1. 20 – 25 Personnel
2. Population It Serves — 50,000 – 80,000
3. Monthly Postal Income — ₱50,000 – ₱100,000
4. Complete Postal Transaction

   a. receiving
   b. processing
   c. delivery
      (1) counter
      (2) letter carriers
      (3) mounted

Note to the method of calculation

As the calculation using cost accounting forms is carried out similarly for each form, Form 204 is taken as an example.

In actual practice, the apportioning ratios (working hours, number of mail items etc.) are the data obtainable from a working hours' survey at the post offices, etc., and such expenses as salary, allowances etc. are obtained from the Central Office or the Regional Offices.

Apportionment of P.O. Cost by Department (1)

Form 204-1

Department		Salaries, Overtime, Life & Retirement				Allowances				(A)
		Apportionment Ratio (Working Hours)	Salaries (1)	Overtime (2)	Life & Retirement (3)	Apportionment Ratio (W. HS)	Uniform (4)	Apportionment Ratio (W. HS)	Post (5)	Total (1)+(2)+(3)+(4)+(5)
Indoor	Counter Service	(10)	100	10	40	(10)	29	–		179
	Processing	(25)	250	25	100	–		–		375
	Rec. & Disp.	(5)	50	5	20	–		–		25
	Sub Total					–		–		(629)
Outdoor	Ord. Del.	(25)	250	25	100	(25)	71	(25)	68	514
	Spl. Del.	(10)	100	10	40	(10)	29	(10)	27	206
	Speed Air Mail Del.	(15)	150	15	60	(15)	43	(15)	41	309
	Collection	(5)	50	5	20	(5)	14	(5)	14	103
	Sub Total							–		(1,132)
Mail Trucks		(5)	50	5	20	(5)	14			89
Total		(100)	₱1,000	₱100	₱400	(70)	₱200	(55)	₱150	₱1,850

Apportionment of P.O. Cost by Department (2)

Form 204-2

Department		Apportionment Ratio (F204-1 Total)	Travelling Expenses (1)	Telephone & Telegraph (2)	Light & Water (3)	(B) Total (1)+(2)+(3)
Indoor	Counter Service	(179)	15	10	19	44
	Processing	(375)	30	20	41	91
	Receiving & Dispatching	(75)	6	4	8	18
	Sub Total					
Outdoor	Ordinary Del.	(514)	42	28	56	126
	Special Del.	(206)	17	11	22	50
	Speed Airmail Del.	(309)	25	17	33	75
	Collection	(103)	8	5	11	24
	Sub Total					
Mail Truck		(83)	7	5	10	22
Total		(1,850)	₱150	₱100	₱200	₱450

Apportionment of P.O. Cost by Department (3)

Form 204-3

Department		Gasoline Allowances		Bicycle Allowances		Gasoline		(C)
		Apportionment Ratio (No. of Employees)	Amount Assigned (1)	Apportionment Ratio (No. of Employees)	Amount Assigned (2)	Apportionment Ratio (Quantities Consumed)	Amount Assigned (3)	Total (1)+(2)+(3)
Indoor	Counter Service	–		–		–		–
	Processing	–		–		–		–
	Receiving & Dispatching	–		–		–		–
	Sub Total							
	Ordinary Delivery	(100)	250	(40)	160	–		410
	Special Delivery	(60)	150	(6)	24	–		174
Outdoor	Speed Airmail Delivery	(40)	100	(4)	16	–		116
	Collection	–		–		(100)	400	400
	Sub-Total							
Mail Truck		–		–		(150)	600	600
Total		(200)	₱500	(50)	₱200	(250)	₱1,000	₱1,700

Table for Tabulation of P.O. Cost by Department

Form 204-4

Department		Total Amount			
		(A)	(B)	(C)	Total
Indoor	Counter Service	179	44		223
	Processing	375	91		466
	Receiving & Dispatching	75	18		93
	Sub Total				
Outdoor	Ordinary Delivery	514	126	410	1,050
	Special Delivery	206	50	174	430
	Speed Airmail Delivery	309	75	116	500
	Collection	103	24	400	527
	Sub Total				
Mail Truck		89	22	600	711
Total		₱1,850	₱450	₱1,700	₱4,000

Direct Cost by Department

Form 205

Department			Post Offices (Excl. CPO & 3DC's)	Regional Offices	Central Office	Total
Indoor	Counter Service	Stamp Sales				
		Acceptance				
		Window Del.				
		Sub Total				
	Processing					
	Receiving and Dispatching					
	Sub Total					
Outdoor	Ordinary Delivery					
	Special Delivery					
	Speed Airmal Delivery					
	Collection					
	Sub Total					
Transpor-tation	P.M. Truck					
	Air Plane					
	Bus					
	Ship					
	Others					
	Sub Total					
Total						

Table for Tabulation of Operations Cost (P.O.'s and Administrative Organization)

Form 206

Department			Direct Cost	Indirect Cost	Total
Indoor	Counter Service	Stamp Sales			
		Acceptance			
		Window Del.			
		Sub Total			
	Processing				
	Receiving and Dispatching				
	Sub Total				
Out Door	Ordinary Delivery				
	Special Delivery				
	Speed Airmail Delivery				
	Collection				
	Sub Total				
Trans-portation	P.M. Truck				
	Air Plane				
	Bus				
	Ship				
	Others				
	Sub Total				
Total					

The following are the cost apportioning criteria to be employed in the cost calculation by type of service in each department dealt with in FORMS from No. 300 to No. 315.

Approtionment Ratio of Cost by Type of Service

Table 2

Ref: Form 300 – 315

Department Cost/Item of Expendeture			Apportionment Ratio	
Indoor	Counter Service	Stamp Sales	Average Processing Hours	(A)
		Acceptance	do	(B)
		Window Delivery	do	(C)
	Processing		do	(D)
	Receiving & Dispatching		Total Capacity	(E)
Outdoor	Ordinary Delivery		Average Processing Hours	(F)
	Special Delivery		do	(G)
	Speed Air Mail		do	(H)
	Collection		Total Capacity by Collection	(I)
Transportation			Bags x No. of items included x Unit Weight = Total Weight Bags x No. of items included x Unit Capacity = Total Capacity	
Post Office Rental			No. of Mail Items	
Repairs			do	
Depreciation			Total Capacity	
Printed Forms			No. of Mail Items	
Printing of Stamps			No. of Mail Items Stamps Affixed	
Spare Parts			No. of Mail Items	
Offices Supplies, training Fees and Representation Exp.			Cost of P.O.	

Counter Service Departmental Cost

Form 300-1

Category	Type of Service	Equivalent Coefficient (1)	No. of Items (2)	Ratio of Assignment (1) x (2)	Amount Assigned
Stamp Sales					(A)
Window Delivery	Registered				
	Parcel				
	Others				
	Sub Total				(B)
Acceptance	1st Class 2nd Class ⋮				
	Sub Total				(C)
Total					

Stamp Sales Departmental Cost

Form 300-2

Type of Service	No. of Stamps Affixed (1)	No. of Items W/ Stamps Affixed (2)	Ratio of Assignment (1) x (2)	Amount Assigned
1st Class 2nd Class Books ⋮				
Total				(A)

(A) is transfered from (A) of From 300-1

Window Delivery Departmental Cost

Form 300-3

Type of Service	Parcel (1)	Registered		Others		Total (1)+(2)+(3)
		No. of Items by window del. (Ratio of Assin-ment)	Amount Assigned (2)	No. of Items by Window del. (Ratio of Assign-ment)	Amount Assigned (3)	
1st Class 2nd Class Books ⋮						
Total						(B)

(B) is transfered from (B) of Form 300-1

Table for Tabulation of Counter Service Cost

Form 300-4

Type of Service	Stamp Sales (1)	Window Del. (2)	Acceptance (3)	Total (1) + (2) + (3)
Total				

Indoor Processing Cost

Form 301

Type of Service	Equivalent Coefficient (1)	No. of Mail Items (2)	Ratio of Assignment (1) x (2)	Amount Assigned
Total				

Receiving & Dispatching Departmental Cost

Form 302

Type of Service	Unit Capacity (1)	No. of Mail Items (2)	Ratio of Assignment (1) x (2)	Amount Assigned
Total				

Departmental Cost for Collection

Form 303

Type of Service	Unit Capacity (1)	No. of Items by Collection (2)	Ratio of Assignment (1) x (2)	Amount Assigned
Total				

Outdoor Ordinary Delivery Cost

Form 304

Type of Service	Equivalent coefficient (1)	No. of Mail Items (2)	Ratio of Assignment (1) x (2)	Amount Assigned
Total				

Outdoor Special Delivery Cost

Form 305

Type of Service	Equivalent Coefficient (1)	No. of Mail Items (2)	Ratio of Assignment (1) x (2)	Amount Assigned
Total				

Outdoor Speed Airmail Delivery Cost

Form 306

Type of Service	Equivalent Coefficient (1)	No. of Mail Items (2)	Ratio of Assignment (1) x (2)	Amount Assigned
Total				

Transportation Cost at Post Office (P.M. Truck)

Form 307

Type of Service	Unit Capacity (1)	Average No. of Mail Items in One Bag (2)	Apportion-ment Ratio (1) x (2)	Amount Assigned
Total				

Transportation (Airplane)

Form 308-1

Type of Service	Unit Weight (1)	Average No. of Mail Items in One Bag (2)	Apportion-ment Ratio (1) x (2)	Amount Assigned
Domestic Foreign (Incoming) (Outgoing)				
Total				

Transportation Cost (P.M. Truck)

Form 308-2

Type of Service	Unit Capacity (1)	Average No. of Mail Items in One Bag (2)	Apportion-ment Ratio (1) x (2)	Amount Assigned
Total				

Transportation Cost (Bus)

Form 308-3

Type of Service	Unit Capacity (1)	Average No. of Mail Items in One Bag (2)	Apportion-ment Ratio (1) x (2)	Amount Assigned
Total				

Transportation Cost (Ship)

Form 308-4

Type of Service	Unit Capacity (1)	Average No. of Mail Items in One Bag (2)	Apportion-ment Ratio (1) x (2)	Amount Assigned
Total				

Transportation Cost (by Other Means)

Form 308-5

Type of Service	Unit Capacity (1)	Average No. of Mail Items in One Bag (2)	Apportion-ment Ratio (1) x (2)	Amount Assigned
Total				

Table for Tabulation of Transportation Cost

Form 308-6

By Mode of Travel / Type of Serve	Airplane	P.M. Truck	Bus	Ship	Others	Total
Total						

Classification of Post Office Rental

Form 209-1

	Domestic Mail	Money Order	Foreign Mail	Total
Cost of P.O. (Ratio of Assignment)				
Amount Assigned	(A)	(B)	(C)	

Apportionment of P.O. Rental (Domestic)

Form 309-2

Type of Service	Unit Capacity (1)	No. of Mail Items (2)	Ratio of Assignment (1) x (2)	Amount Assigned (I)	No. of Mail Items (Ratio of Assignment)	Amount Assigned (II)	Total (I) + (II)
Total				P		Q	(A)

Note: P = Q = (A) x ½
(A) is transfered from (A) of Form 309-1

Apportionment of P.O. Rental (Foreign)

Form 309-3

Type of Service	Unit Capacity (1)	No. of Mail Items (2)	Ratio of Assignment (1) x (2)	Amount Assigned (I)	No. of Mail Items (Ratio of Assignment)	Amount Assigned (II)	Total (I) + (II)
Total				R		S	(C)

Note: R = S = (C) x ½
(C) is transfered from (C) of Form 309-1

Apportionment of Post Office Rental (Money Order)

Form 309-4

Type of Service		P.O. Cost of Money Order (Ratio of Assignement)	Amount
Money Order	Issued		
	Paid		
Total			(B)

Note: (B) is transfered From (B) of Form 309-1

Table for Tabulation of Post Office Rental

Form 309-5

Type of Service	Amount
Total	

Apportionment of Repairs

Form 310

Type of Service	No. of Mail Items (Apportionment Ratio)	Amount Assigned
1st Class 2nd Class Books ⋮		
Total		

For the apportioning criterion regarding the cost of postage stamp production, the numbers of mail items affixed with stamps is generally used. However, depending upon the type of postage stamp, other apportioning criterion, for example simply the numbers of mail items, can be utilized.

Apportionment of Printing of Stamps (1)

From 311-1

Type of Service	Stamps Affixed (1)	No. of Mails Items Stamps Affixed (2)	Apportionment Ratio (3) (1) x (2)					Total
				Apportionment Ratio	Amount Assigned	Apportionment Ratio	Amount Assigned	
Total								

Apportionment of Printing of Stamps (2)

Form 311-2

Type of Service	No. of Mail Items (Apportionment Ratio)							Total
		Apportionment Ratio	Amount Assigned	Apportionment Ratio	Amount Assigned	Apportionment Ratio	Amount Assigned	
Total								

Table for Tabulation of Printing of Stamps

Form 311-3

Type of Service				Total
Total				

As there are various categories of printed forms, the cost for these should be apportioned among the types of mail service closely related to them. This is the reason why Form 312 has a number of classified calculation columns.

Apportionment of Printed Forms

Form 312

Type of Service	No. of Mail Items							Total
		Ratio of Assignment (No. of Mail Items)	Amount Assigned	Ratio of Assignment (No. of Mail Items)	Amount Assigned	Ratio of Assignment (No. of Mail Items)	Amount Assigned	
Total								

Apportionment of Spare Parts

Form 313

Type of Service	No. of Mail Items							Total
		Ratio of Assignment (No. of Mail Items)	Amount Assigned	Ratio of Assignment (No. of Mail Items)	Amount Assigned	Ratio of Assignment (No. of Mail Items)	Amount Assigned	
Total								

Apportionment of Office Supplies, Training Fees & Representation Expenses

From 314

Type of Service	Cost of P.O. (Apportionment Ratio)	Office Supplies	Training Fees	Representation Expenses	Total
Total					

Classification of Depreciation

Form 315-1

	Domestic Mail	Money Order	Foreign Mail	Total
Cost of P.O. (Ratio of Assignment)				
Amount Assigned	(A)	(B)	(C)	

Note: This depreciation is the amount for Post Offices

Apportionment of Depreciation (Domestic)

Form 315-2

Type of Service	Unit Capacity (1)	No. of Mail Items (2)	Ratio of Assignment (1) x (2)	Amount Assigned (I)	No. of Mail Items (Ratio of Assignment)	Amount Assigned (II)	Total (I) + (II)
Total				P		Q	(A)

Note: P = Q = (A) x ½
(A) is transfered from (A) of Form 315-1

Apportionment of Depreciation (Foreign)

Form 315-3

Type of Service	Unit Capacity (1)	No. of Mail Items (2)	Ratio of Assignment (1) x (2)	Amount Assigned (I)	No. of Mail Items (Ratio of Assignment)	Amount Assigned (II)	Total (I) + (II)
Total	-			R		S	(C)

Note: R = S = (C) x ½
(C) is transfered from (C) of Form 315-1

Apportionment of Depreciation (Money Order)

Form 315-4

Type of Service		P.O. Cost of Mony Order (Ratio of Assignment)	Amount Assigned
Money Order	Issued		
	Paid		
Total			(B)

Note: (B) is transfered from (B) of Form 315-1

Table for Tabulation of Depreciation
(Post Office)

Form 315-5

Type of Service	Amount
Total	

On Form 316, the whole of the operational costs is to be tabulated.

Table for Tabulation of Operations Cost

Form 316

Department / Type of Service	P.O. Cost			Operations Cost		Total
	Indoor	Outdoor	Sub Total		Sub Total	
Code No.						
Total						

The calculation of administrative cost by type of mail service is carried out on Form 317 using the distributing ratio of costs by type of service entered in the colums of Total Costs of Form 316.

Apportionment of Administrative Cost

From 317

Type of Services	Operations Cost (Apportion-ment Ratio)	Administrative Cost		
		Regional Offices	Central Office	Total
1st Class 2nd Class Books ⋮				
Total				

The whole departmental costs by type of mail service, as calculated through the calculation flow so far, are tabulated on Form 318.

Table for Tabulation of Total Cost by Type of Service

Form 318

Department / Typ of Service	Operations Cost			Administrative Cost	Total Cost
	P.O. Cost		Operation Cost		
	Indoor	Outdoor			
Total					

Calculation of Unit Cost

Form 319

Type of Service	Total Cost (1)	No. of Mail Items (2)	Unit Cost (1) ÷ (2)
1st Class 2nd Class Books ⋮			

Note: Number of mail items is the number of posted items.

Form 318

Department / Type of Service	Operations Cost																								Administrative Cost			Total Cost
	Post Office Cost															Operations Cost												
	In Box						Out Box						Transportation															
	Counter Service																											
	Stamp Sales	Window Deli.	Acceptance	Processing	Receiving and Dispatching	Sub Total	Ordinary Delivery	Special Delivery	Speed Airmail Delivery	Collection	Sub Total	P.O. Total	P. Mail Truck	Others	Depreciations (P.O.)	Post Office Rental	Printing Stamps	Printed Forms	Repairs	Spare Parts	Others	Total	Grand Total	Regional Office	Central Office	Total	
Code Number	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	22	23	24	25	26	27	
Domestic Mail – Ordinary – Surface – 1st Class																											
Domestic Mail – Ordinary – Surface – 2nd Class																											
Domestic Mail – Ordinary – Surface – Books																											
Domestic Mail – Ordinary – Surface – Parcels																											
Domestic Mail – Ordinary – Surface – Others																											
Domestic Mail – Ordinary – Airmail (Non Speed)																											
Domestic Mail – Exp. & Spl. Del. (Non-Reg'd) – Surface																											
Domestic Mail – Exp. & Spl. Del. (Non-Reg'd) – Airmail																											
Domestic Mail – Speed Airmail																											
Domestic Mail – Registered – Surface – 1st Class																											
Domestic Mail – Registered – Surface – Parcels																											
Domestic Mail – Registered – Surface – Others																											
Domestic Mail – Registered – Surface – Exp. & Spl. Del.																											
Domestic Mail – Registered – Airmail – Non Exp. & Spl. Del.																											
Domestic Mail – Registered – Airmail – Exp. & Spl. Del.																											
Domestic Total																											
Money Order – Issued (Item)																											
Money Order – Paid (Item)																											
Money Order – Total																											
Foreign Outgoing – Ordinary – Surface – Letters																											
Foreign Outgoing – Ordinary – Surface – Postcards																											
Foreign Outgoing – Ordinary – Surface – Printed Matters																											
Foreign Outgoing – Ordinary – Surface – 2nd Class																											
Foreign Outgoing – Ordinary – Surface – Small Packet																											
Foreign Outgoing – Ordinary – Surface – Parcels																											
Foreign Outgoing – Ordinary – Airmail – Letters																											
Foreign Outgoing – Ordinary – Airmail – Cards																											
Foreign Outgoing – Ordinary – Airmail – Printed Matters																											
Foreign Outgoing – Ordinary – Airmail – Parcels																											
Foreign Outgoing – Registered – Surface – Exp. & Spl. Del.																											
Foreign Outgoing – Registered – Surface – Others																											
Foreign Outgoing – Registered – Airmail – Exp. & Spl. Del.																											
Foreign Outgoing – Registered – Airmail – Others																											
Foreign Outgoing – Exp. & Spl. Del. (Non-Reg'd) – Surface																											
Foreign Outgoing – Exp. & Spl. Del. (Non-Reg'd) – Airmail																											
Foreign Incoming – Ordinary – Surface – Letters																											
Foreign Incoming – Ordinary – Surface – Postcards																											
Foreign Incoming – Ordinary – Surface – Printed Matters																											
Foreign Incoming – Ordinary – Surface – 2nd Class																											
Foreign Incoming – Ordinary – Surface – Small Packet																											
Foreign Incoming – Ordinary – Surface – Parcels																											
Foreign Incoming – Ordinary – Airmail – Letters																											
Foreign Incoming – Ordinary – Airmail – Postcards																											
Foreign Incoming – Ordinary – Airmail – Printed Matters																											
Foreign Incoming – Ordinary – Airmail – Air Parcels																											
Foreign Incoming – Registered – Surface – Exp. & Spl. Del.																											
Foreign Incoming – Registered – Surface – Others																											
Foreign Incoming – Registered – Airmail – Exp. & Spl. Del.																											
Foreign Incoming – Registered – Airmail – Others																											
Foreign Incoming – Exp. & Spl. Del. (Non-Reg'd) – Surface																											
Foreign Incoming – Exp. & Spl. Del. (Non-Reg'd) – Airmail																											
Foreign Total																											
Grand Total																											

Unit Revenue

Form 320

Type of Service	Unit Revenue
1st Class 2nd Class Books ⋮	

The total revenue by type of mail service is computed on Form 321.

Calculation of Total Revenue

Form 321

Type of Service	No. of Mail Items (1)	Postage per Items (2)	Total Revenue (1) x (2)
1st Class 2nd Class Books ⋮			
Total	—	—	

Comparison of Cost with Revenue

Form 322

Type of Service	Cost		Revenue	
	Total Cost	Unit Cost	Total Revenue	Unit Revenue
1st Class 2nd Class Books ⋮				

Table of Total Cost & Total Revenue

Form 323

Classification / Type of Service	Total Cost (1)	Total Revenue (2)	Balance (1) – (2)
1st Class 2nd Class Books ⋮			
Total			

Table of Unit Cost & Unit Revenue

Form 324

Classification / Type of Service	Unit Cost (1)	Unit Revenue (2)	Balance (1) – (2)
1st Class 2nd Class Books ⋮			

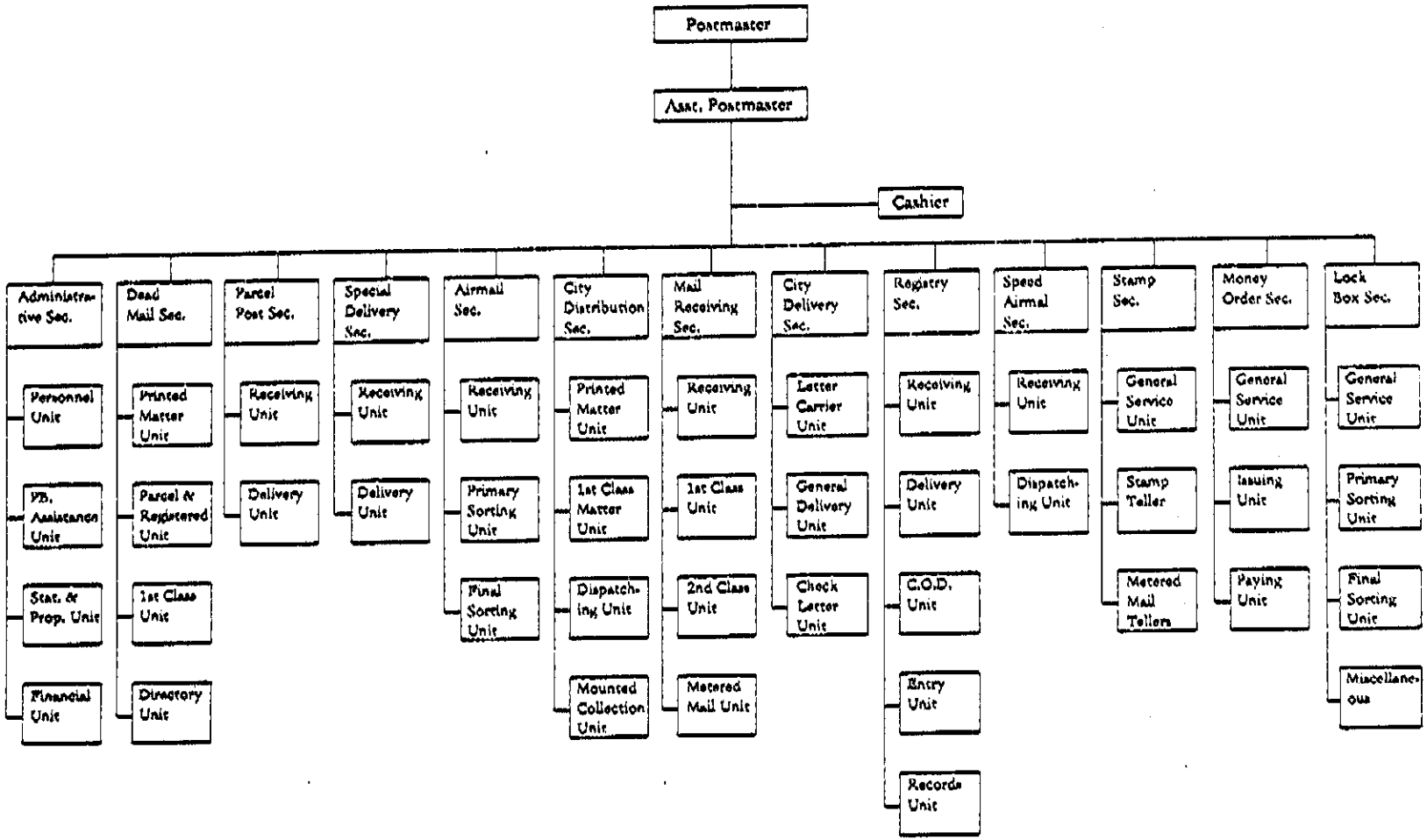
[II] Cost Accounting Calculation Forms for 4 Special Post Offices

The four special post offices, i.e., CPO, DSMDC, FSMDC and ADC, play a pivotal role in the Philippines postal network and therefore they have a profound influence on the total operation of the postal service.

In the circumstance, the cost accounting systems for these four post offices have been designed separately from those of other ordinary post offices.

The following are the organization charts, cost accounting calculation tables, work flow charts which clarify the flows of mail processing, and survey tables for work volume. These materials are required in carrying out separate cost accounting.

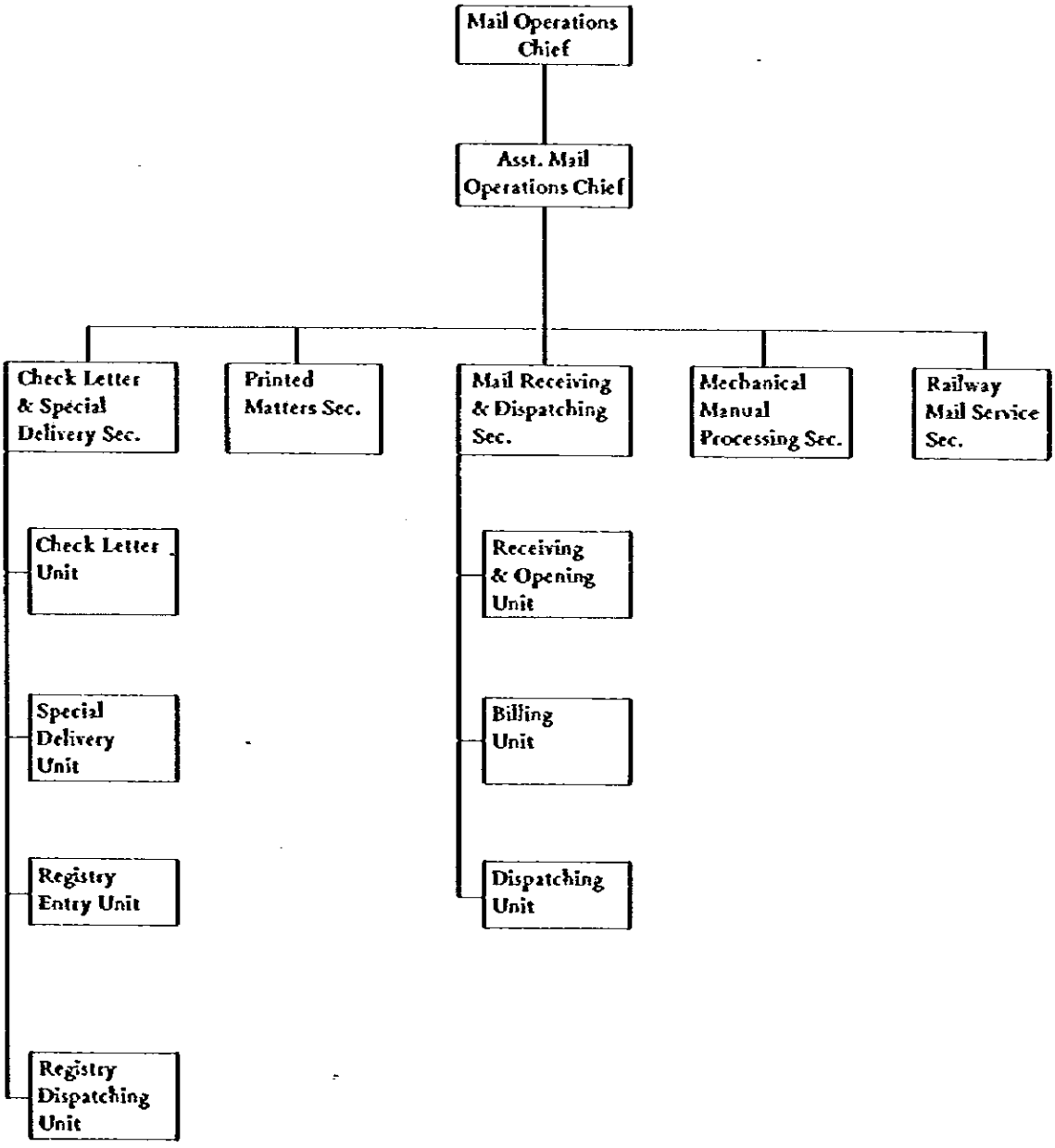
CENTRAL POST OFFICE ORGANIZATIONAL CHART



Organizational Chart

DOMESTIC SURFACE MAIL DISTRIBUTION CENTER

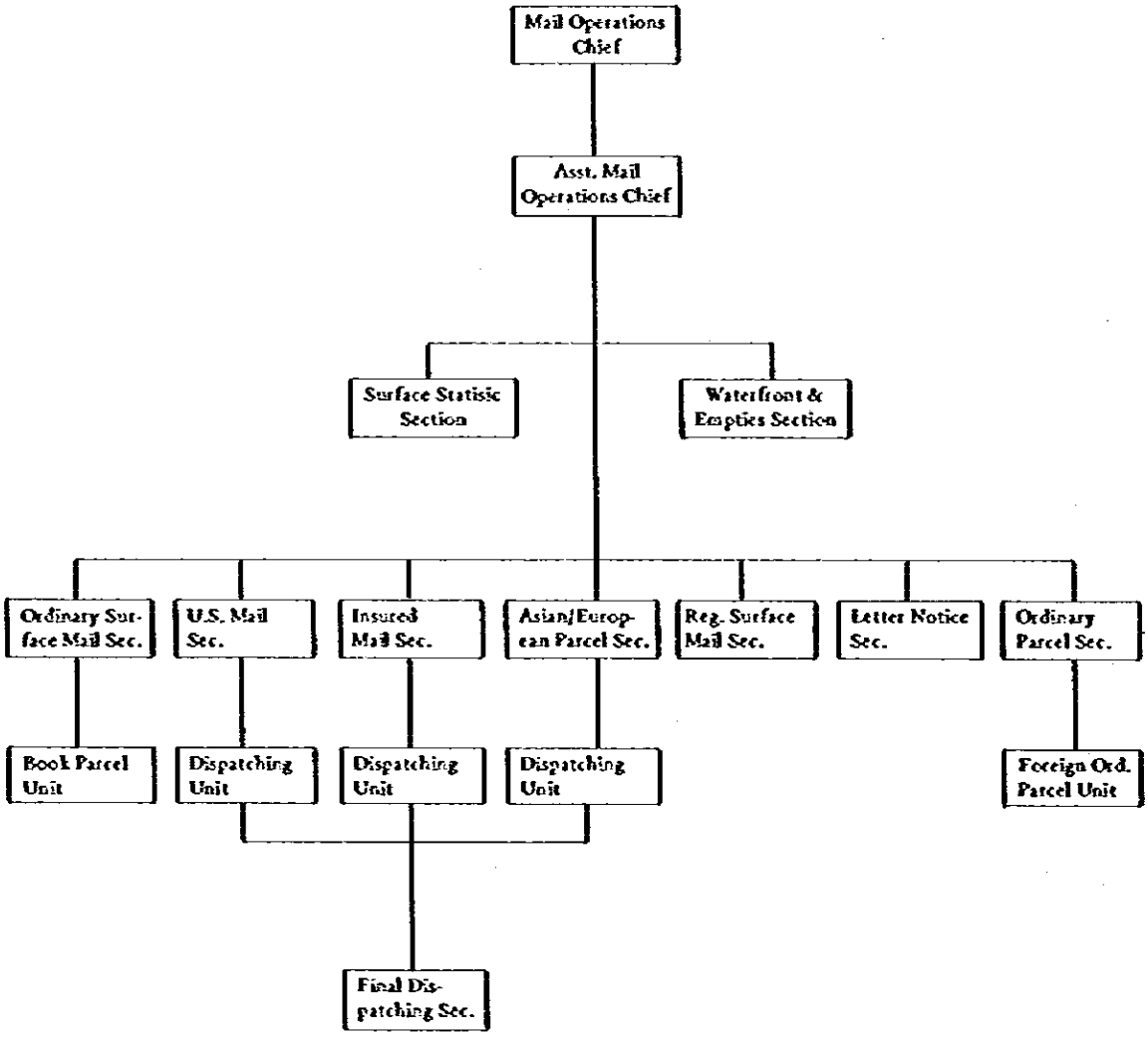
Postal Region IV, Manila



Organizational Chart

FOREIGN SURFACE MAIL DISTRIBUTION CENTER

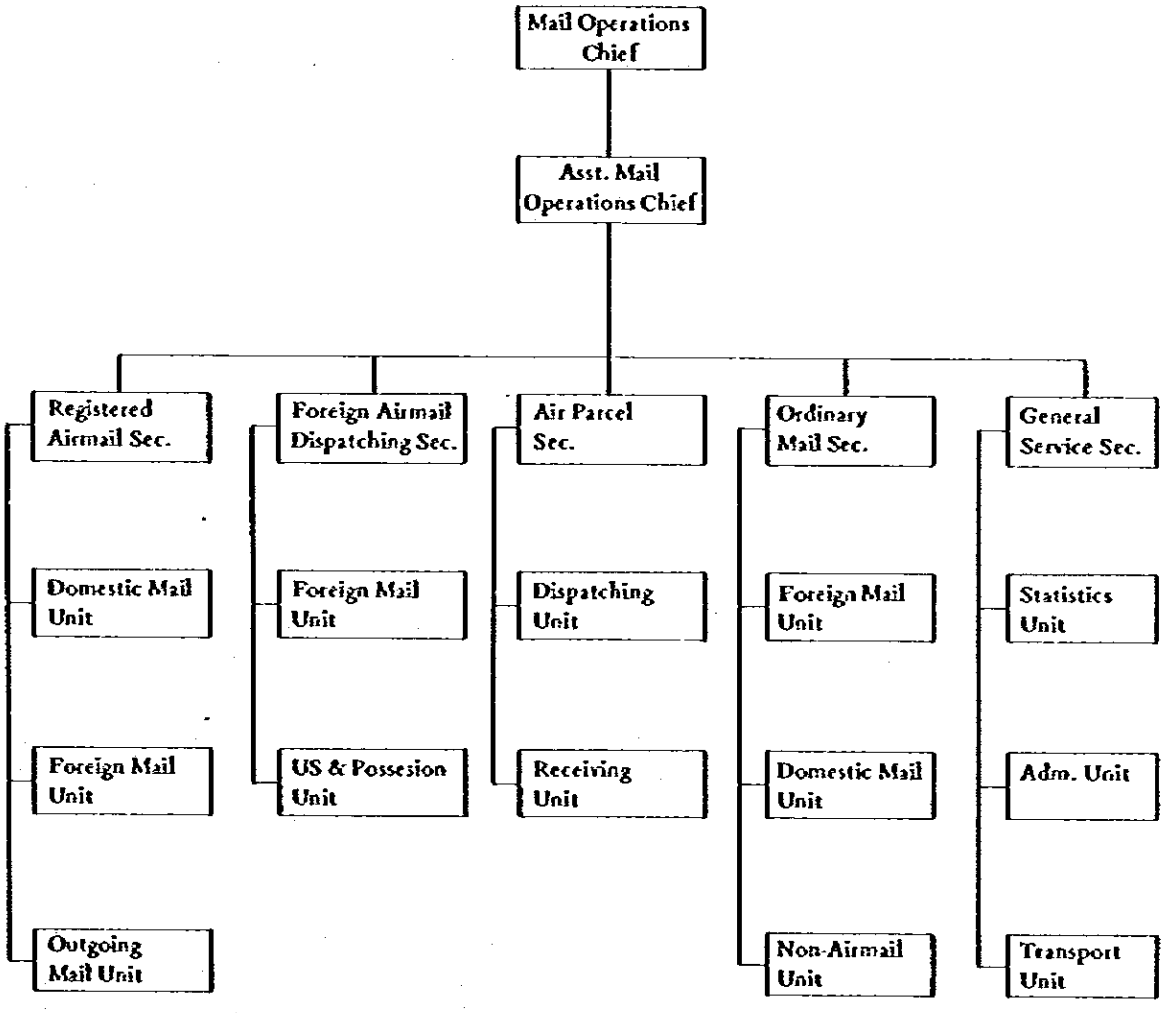
Postal Region IV, Manila



Organizational Chart

AIRMAL DISTRIBUTION CENTER

Postal Region IV, Manila



1. Cost Accounting Calculation Tables Used for 4 Special Post Offices

HOW TO FILL UP FORMS

Before filling up the various forms of Ascertainment of Expenditures, the following instructions should be carefully read. Any question will be inquired from C.A. Study group member Tel. 40-93-90 at the Planning Division, Bureau of Posts or Tel. 40-30-52 Management Section.

1. Ascertainment of Expenditures shall be conducted in the Domestic Surface Mail DC, Airmail DC, Foreign Surface Mail DC and the Central Post Office.

2. Survey period: one whole year (1977).

CA-SPO 2:

1. The column "Employees" is filled up with the number of employees assigned in each section or unit as of July 1, 1977.

2. The column "Direct Cost" is filled up with the amounts directly ascertainable by section or unit and also by Item of Expenditure i.e. personal services (salaries, allowance, etc.).

3. Amount for "Others" (indirect cost) C is computed by subtraction of total amounts entered in columns B from D thus: D – B = C. In apportioning these indirect costsz to each section of the organizational unit under survey, ratio of number of employees for each section, (A), is used as apportioning ratio.

4. "General Affaris" in the CPO shall include the Office of the Postmaster, Assistant Postmaster, cashier, administrative section and the Dead Mail Section. In the DSMDC, "General Affairs" shall include the Office of the Mail Operations Chief, Assistant Mail Operations Chief and the General Services Section. In the FSMDC, "General Affairs" include the Office of the Mail Operations Chief, Assistant Mail Operations Chief and the Surface Statistics Section while at the ADC, "General Affairs" include the Office of the Mail Operations Chief, Assistant Mail Operations Chief and the General Services Section, except the transport cost which shall be under the column "Transport".

CA-SPO 3:

1. In cases where an employee is engaged in more than two ACTIVITIES or process listed in the columns shown in this table, the number of employees is divided into fractions (until the first decimal place) depending on actual circumstances.

   Example:

   Where total number of employee for processing, receiving and dispatching is 4:

Activity	No. of Employees
Processing	2.7
Receiving and Dispatching	1.3

2. Under the column "Direct Cost", costs ascertainable directly by activity in each section or unit concerned are entered.

3. Total amount for "Indirect Cost" C is calculated by subtraction of total amount entered in B from D thus: D – B = C. The total amount C is distributed to each work activity using the ratio of amounts entered under column A. Total costs (D) correspond to total costs for (E) of CA-SPO 2.

CA-SPO 4:

Total costs per section or unit calculated in Table CA-SPO 3 are transferred to total column P, Q, R, --- . These total amounts for each activity are apportioned to each type of service using the survey results of Mail Volume Survey (CA-SPO 1, see separate instructions) as apportioning ratios (each working department or each activity has its own apportioning ratio depending on mail items or bags handled.).

CA-SPO 5:

This table is prepared for tabulation of costs by Type of Service for all sections or units concerned. The total amounts calculated in CA-SPO 4 by each section or unit are transferred to the appropriate columns of this table.

CA-SPO 6:

1. This table is prepared to get total expenditures by type of service tabulating all departmental amounts computed in Table CA-SPO 5 prepared by each department or working activity.

2. The figure to be entered under total column W of CA-SPO 6-C corresponds to the figure entered under "Sub-total" column E of CA-SPO 2.

CA-SOP 7:

1. This table is prepared for apportioning expenditures common to various work activities in a post office (i.e. expenditures for general affairs).

2. Amounts to be entered in each column in this table are calculated by multiplying each expense entered in all columns of CA-SPO 6 by the quotients calculated through the following formula:

$$F = \frac{D}{E}$$

Under D ..... Total amount shown in column D of CA-SPO 2

E ..... Total amount shown in column E of CA-SPO 2

3. Total amount to be entered under column G of CA-SPO-7-C correspond to the total amount entered under column D of CA-SPO 2.

CA-SPO-2

ASCERTAINING ITEMS OF EXPENDITURES

Survey Period

Central Post Office

Items \ Section or Units			Mail Receiving	City Distribution	City Delivery	Special Delivery	Registery	Airmail	Speed Airmail	Parcel Post	Lock Box	Stamp	Money Order	Sub Total	Gen. Affairs	Transport	Total
Employees		Number															
		Ratio (A)															
Expenditures	Direct Cost	Personal Services															
		a. Salaries															
		1. Permanent															
		2. Temporary															
		b. Allowances															
		1. Uniform															
		2. Post															
		c. Overtime															
		⋮															
		Sub Total															(B)
	Indirect Cost	Others															(C)
Total Cost														(E)			(D)

CA-SPO-2

ASCERTAINING ITEMS OF EXPENDITURES

Survey Period

Domestic Surface Mail Distribution Center

Items \ Sections or Units			Mail Receiving & Dispatching	Registry	Printed Matter	Check Letter & Special Delivery	Mechanical & Mannual	Midnight Mail Processing	Railway Mail Services	Turuban Sub-DC	Sub Total	Gen. Affairs	Transport	Total
Employees		Number												
		Ratio(A)												
Expenditures	Direct Cost	Personal Services												
		a. Salaries												
		1. Permanent												
		2. Temporary												
		b. Allowances												
		1. Uniform												
		2. Post												
		c. Overtime												
		⋮												
		Sub Total												(B)
	Indirect Cost	Others												(C)
Total Cost											(E)			(D)

CA-SPO-2

ASCERTAINING ITEMS OF EXPENDITURES

Survey Period:

Foreign Surface Mail Distribution Center

Items \ Sections or Units			Water-front & Empties	Ordinary Surface Mail	U.S. Parcel	Insured Parcel	Asian/ European Parcel	Reg. Surface Mail	letter Notice	Outgoing Parcel	Final Dispatch-ing	Sub Total	Gen. Affairs	Trans-port	Total
Employees		Number													
		Ratio (A)													
Expenditures	Direct Cost	Personal Services													
		a. Salaries													
		1. Permanent													
		2. Temporary													
		b. Allowances													
		1. Uniform													
		2. Post													
		c. Overtime													
		⋮													
		Sub Total													(B)
	Indirect Cost	Others													(C)
Total Cost												(E)			(D)

CA-SPO-2

ASCERTAINING ITEMS OF EXPENDITURES

Survey Period

Airmail Distribution Center

Items \ Sections or Units			Registered Airmail			Foreign Air Dispatching		Air Parcel		Ordinary Airmail			Sub Total	Gen. Affairs	Trans-Port	Total
			Domestic	Foreign	Outgoing	US & Possession	Foreign	Receiving	Dispatching	Foreign	Domestic	Non Airmail				
Employees		Number														
		Ratio(A)														
Expenditures	Direct Cost	Personal Services														
		a. Salaries														
		1. Permanent														
		2. Temporary														
		b. Allowances														
		1. Uniform														
		2. Post														
		c. Overtime														
		⋮														
		Sub Total														(B)
	Indirect Cost	Others														(C)
Total Cost													(E)			(D)

Form CA-SPO-3

Ascertaining Cost by Department

Section _____ Office _____

Department			Employees		Expenditures		
			Number	Ratio(A)	Direct Cost	Indirect Cost	Total Cost
Indoor	Counter Serivce	Money Order					
		Stamp Sales					
		Window Delivery					
		Acceptance					
		Sub Total					
	Processing						
	Receiving & Dispatching						
	Sub Total						
Outdoor	Ordinary Delivery						
	Special Delivery						
	Speed Airmail						
	Collection						
	Sub Total						
Phil. Mail Truck							
Total					(B)	(C)	(D)

Form CA-SPO-4-A

Ascertaining Costs by Type of Service

Office _____ Section/Unit _____

Types of Service				Code										Total Amount
					Mail Items (1)	Amoutn Assigned (2)	Mail Items (1)	Amount Assigned (2)	Mail Items (1)	Amount Assigned (2)	Mail Items (1)	Amount Assigned (2)	
Domestic Mail (Posted Only)	Ordinary	Surface	1st Class	101									
			2nd Class	102									
			Books	103									
			Parcels	104									
			Others	105									
		Airmail		106									
	Exp./ Spl. Del. (Non-Reg'd)	Surface		107									
		Airmal		108									
	Speed Airmail			109									
	Registered	Surface	Non-Express/ Spl. Delivery	1st Class	110								
				Parcels	111								
				Others	112								
			Express/Special Delivery		113								
		Airmail	Non-Express/Special Delivery		114								
			Express/Special Delivery		115								
Sub Totals													
Money Order			Issued	401									
			Paid	402									

Form CA-SPO-4-B

Ascertaining Costs by Type of Service

Office _____ Section/Unit _____

Types of Service				Code	Department / Ratio & Amount								Total Amount
					Mail Items (1)	Amount Assigned (2)	Mail Items (1)	Amount Assigned (2)	Mail Items (1)	Amount Assigned (2)	Mail Items (1)	Amount Assigned (2)	
Outgoing Foreign Mail	Ordinary	Surface	Letters	201									
			Postcards	202									
			Printed Matters	203									
			2nd Class Publications	204									
			Small Packets	205									
			Parcel Posts	206									
		Airmail	Letters	207									
			Postcards	208									
			Printed Matters	209									
			Air Parcels	210									
	Registered	Surface	Express/Special Delivery	211									
			Others	212									
		Airmail	Express/Special Delivery	213									
			Others	214									
	Express/Special Delivery Non-Registered		Surface	215									
			Airmail	216									
Sub Totals													

Form CA-SPO-4-C

Ascertaining Costs by Type of Service

Office _____ Section/Unit _____

Types of Service				Code	Mail Items (1)	Amount Assigned (2)	Mail Items (1)	Amount Assigned (2)	Mail Items (1)	Amount Assigned (2)	Mail Items (1)	Amount Assigned (2)	Total Amount
Incoming Foreign Mail	Ordinary	Surface	Letters	301									
			Postcards	302									
			Printed Matters	303									
			2nd Class Publications	304									
			Small Packets	305									
			Parcel Posts	306									
		Airmail	Letters	307									
			Postcards	308									
			Printed Matters	309									
			Air Parcels	310									
	Registered	Surface	Express/Special Delivery	311									
			Others	312									
		Airmail	Express/Special Delivery	313									
			Others	314									
	Express/Special Delivery Non-Registered		Surface	315									
			Airmail	316									
Sub Totals													
Total						(P)		(Q)		(R)		(S)	

Form CA-SPO-5-A

Table for Tabulation of Costs by Type of Service

Office _____ Name of Department _____

Types of Service \ Section or Unit				Code														Total
Domestic Mail (Postal Only)	Ordinary	Surface	1st Class	101														
			2nd Class	102														
			Books	103														
			Parcels	104														
			Others	105														
		Airmail		106														
	Express/Special Delivery (Non-Registered)		Surface	107														
			Airmail	108														
	Speed Airmail			109														
	Registered	Surface	Non-Express/Spl. Delivery	1st Class	110													
				Parcels	111													
				Others	112													
			Express/Special Delivery		113													
		Airmail	Non-Express/Special Delivery		114													
			Express/Special Delivery		115													
	Sub Totals																	
Money Order			Issued		401													
			Paid		402													

Form CA-SPO-5-B

Table for Tabulation of Costs by Type of Service

Office _____ Name of Department _____

Types of Service \ Section or Unit				Code															Total
Outgoing Foreign Mail	Ordinary	Surface	Letters	201															
			Postcards	202															
			Printed Matters	203															
			2nd Class Publications	204															
			Small Packets	205															
			Parcel Posts	206															
		Airmail	Letters	207															
			Postcards	208															
			Printed Matters	209															
			Air Parcels	210															
	Registered	Surface	Express/Special Delivery	211															
			Others	212															
		Airmail	Express/Special Delivery	213															
			Others	214															
	Express/Special Delivery Non-Registered		Surface	215															
			Airmail	216															
Sub Totals																			

Form CA-SPO-5-C

Table for Tabulation of Costs by Type of Service

Office _____ Name of Department _____

Types of Service \ Section or Unit				Code															Total
Incoming Foreign Mail	Ordinary	Surface	Letters	301															
			Postcards	302															
			Printed Matters	303															
			2nd Class Publications	304															
			Small Packets	305															
			Parcel Posts	306															
		Airmail	Letters	307															
			Postcards	308															
			Printed Matters	309															
			Air Parcels	310															
	Registered	Surface	Express/Special Delivery	311															
			Others	312															
		Airmail	Express/Special Delivery	313															
			Others	314															
	Express/Special Delivery Non-Registered		Surface	315															
			Airmail	316															
Sub Totals																			
Total																			

Form CA-SPO-6-A

Table for Tabulation of Operation Costs by Type of Service and by Department

Office _____ Section/ Unit _____

Types of Service				Code	Indoor Work Department							Outdoor Work Department						Philippine Mail Truck	Total
					Counter Service				Mail Processing	Bag Receiving and Dispatching	Sub Totals	Delivery			Mail Bag Transport	Mail Collection	Sub Totals		
					Money Order Issuance & Payments	Stamp Sales	Window Mail Acceptance	Window Mail Delivery				Ordinary Mail	Spl. Delivery/ Express Mail	Speed Airmail					
Domestic Mail (Posted Only)	Ordinary	Surface	1st Class	101															
			2nd Class	102															
			Books	103															
			Parcels	104															
			Others	105															
		Airmail		106															
	Express/Special Delivery (Non-Registered)		Surface	107															
			Airmail	108															
	Speed Airmail			109															
	Registered	Surface	Non-Express/ Spl. Delivery: 1st Class	110															
			Non-Express/ Spl. Delivery: Parcels	111															
			Non-Express/ Spl. Delivery: Others	112															
			Express/Special Delivery	113															
		Airmail	Non-Express/Special Delivery	114															
			Express/Special Delivery	115															
Sub Totals																			
Money Order			Issued	401															
			Paid	402															

Form CA-SPO-6-B

Table for Tabulation of Operation Costs by Type of Service and by Department

Office _____ Section/ Unit _____

Types of Service				Code	Indoor Work Department							Outdoor Work Department						Philippine Mail Truck	Total
					Counter Service							Delivery							
					Money Order Issuance & Payments	Stamp Sales	Window Mail Acceptance	Window Mail Delivery	Mail Processing	Bag Receiving and Dispatching	Sub Totals	Ordinary Mail	Spl. Delivery/ Express Mail	Speed Airmail	Mail Bag Transport	Mail Collection	Sub Totals		
Outgoing Foreign Mail	Ordinary	Surface	Letters	201															
			Postcards	202															
			Printed Matters	203															
			2nd Class Publications	204															
			Small Packets	205															
			Parcel Posts	206															
		Airmail	Letters	207															
			Postcards	208															
			Printed Matters	209															
			Air Parcels	210															
	Registered	Surface	Express/Special Delivery	211															
			Others	212															
		Airmail	Express/Special Delivery	213															
			Others	214															
	Express/Special Delivery Non-Registered		Surface	215															
			Airmail	216															
Sub Totals																			

Form CA-SPO-6-C

Table for Tabulation of Operation Costs by Type of Service and by Department

Office _____ Section/ Unit _____

Types of Service				Code	Indoor Work Department							Outdoor Work Department						Philippine Mail Truck	Total
					Counter Service				Mail Processing	Bag Receiving and Dispatching	Sub Totals	Delivery			Mail Bag Transport	Mail Collection	Sub Totals		
					Money Order Issuance & Payments	Stamp Sales	Window Mail Acceptance	Window Mail Delivery				Ordinary Mail	Spl. Delivery/ Express Mail	Speed Airmail					
Incoming Foreign Mail	Ordinary	Surface	Letters	301															
			Postcards	302															
			Printed Matters	303															
			2nd Class Publications	304															
			Small Packets	305															
			Parcel Posts	306															
		Airmail	Letters	307															
			Postcards	308															
			Printed Matters	309															
			Air Parcels	310															
	Registered	Surface	Express/Special Delivery	311															
			Others	312															
		Airmail	Express/Special Delivery	313															
			Others	314															
	Express/Special Delivery Non-Registered		Surface	315															
			Airmail	316															
Sub Totals																			
Total																			(W)

Form CA-SPO-7-A

Table for Calculation of Total Costs

Office _____

Types of Service				Code	Indoor Work Department							Outdoor Work Department						Philippine Mail Truck	Total
					Counter Service				Mail Processing	Bag Receiving and Dispatching	Sub Totals	Delivery			Mail Bag Transport	Mail Collection	Sub Totals		
					Money Order Issuance & Payments	Stamp Sales	Window Mail Acceptance	Window Mail Delivery				Ordinary Mail	Spl. Delivery/ Express Mail	Speed Airmail					
Domestic Mail (Posted Only)	Ordinary	Surface	1st Class	101															
			2nd Class	102															
			Books	103															
			Parcels	104															
			Others	105															
		Airmail		106															
	Express/Special Delivery (Non-Registered)		Surface	107															
			Airmail	108															
	Speed Airmail			109															
	Registered	Surface	Non-Express/Spl. Delivery: 1st Class	110															
			Non-Express/Spl. Delivery: Parcels	111															
			Non-Express/Spl. Delivery: Others	112															
			Express/Special Delivery	113															
		Airmail	Non-Express/Special Delivery	114															
			Express/Special Delivery	115															
Sub Totals																			
Money Order			Issued	401															
			Paid	402															

Form CA-SPO-7-B

Table for Calculation of Total Costs

Office _____

Types of Service				Code	Indoor Work Department							Outdoor Work Department						Philippine Mail Truck	Total
					Counter Service							Delivery							
					Money Order Issuance & Payments	Stamp Sales	Window Mail Acceptance	Window Mail Delivery	Mail Processing	Bag Receiving and Dispatching	Sub Totals	Ordinary Mail	Spl. Delivery Express Mail	Speed Airmail	Mail Bag Transport	Mail Collection	Sub Totals		
Outgoing Foreign Mail	Ordinary	Surface	Letters	201															
			Postcards	202															
			Printed Matters	203															
			2nd Class Publications	204															
			Small Packets	205															
			Parcel Posts	206															
		Airmail	Letters	207															
			Postcards	208															
			Printed Matters	209															
			Air Parcels	210															
	Registered	Surface	Express/Special Delivery	211															
			Others	212															
		Airmail	Express/Special Delivery	213															
			Others	214															
	Express/Special Delivery Non-Registered		Surface	215															
			Airmail	216															
Sub Totals																			

Form CA-SPO-7-C

Table for Calculation of Total Costs

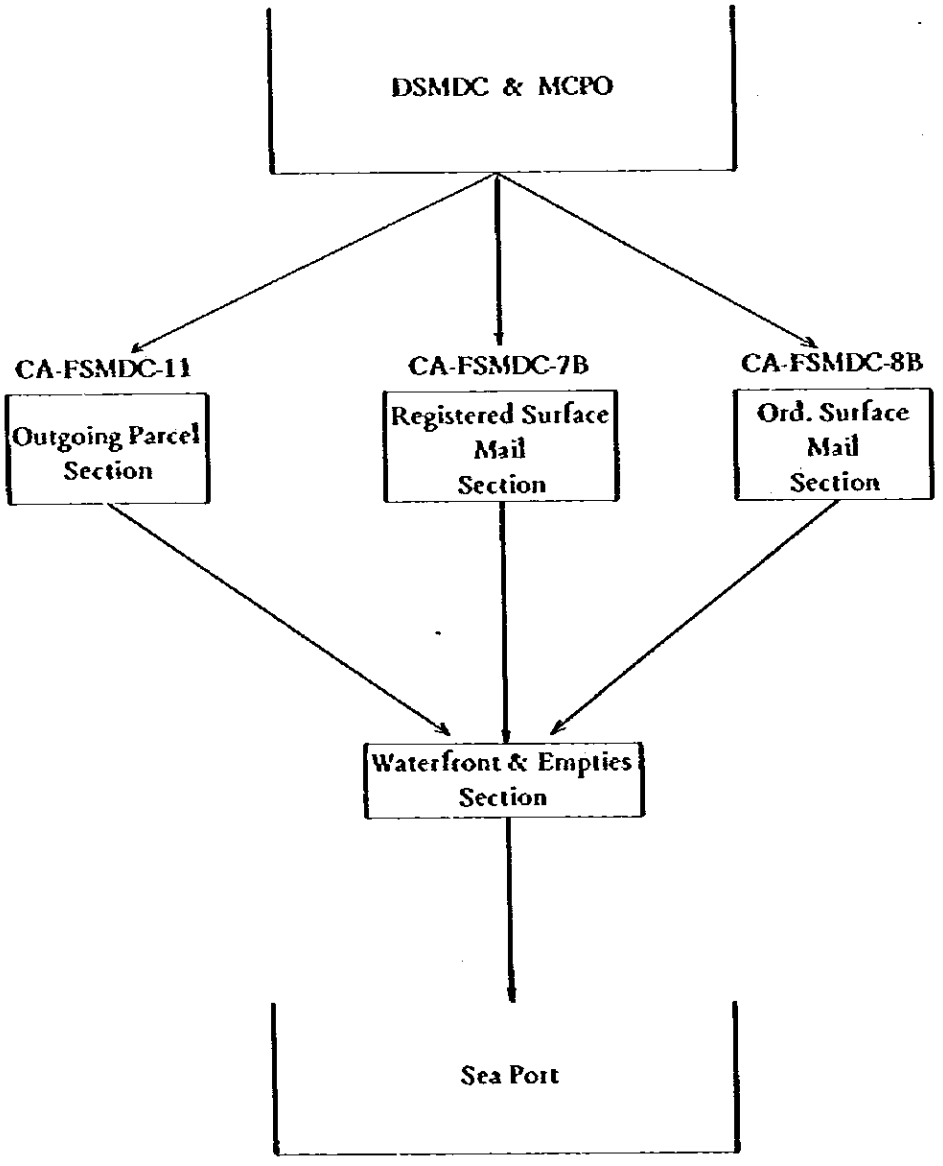
Office _____

Types of Service				Code	Indoor Work Department							Outdoor Work Department						Philippine Mail Truck	Total
					Counter Service				Mail Processing	Bag Receiving and Dispatching	Sub Totals	Delivery			Mail Bag Transport	Mail Collection	Sub Totals		
					Money Order Issuance & Payments	Stamp Sales	Window Mail Acceptance	Window Mail Delivery				Ordinary Mail	Spl. Delivery Express Mail	Speed Airmail					
Incoming Foreign Mail	Ordinary	Surface	Letters	301															
			Postcards	302															
			Printed Matters	303															
			2nd Class Publications	304															
			Small Packets	305															
			Parcel Posts	306															
		Airmail	Letters	307															
			Postcards	308															
			Printed Matters	309															
			Air Parcels	310															
	Registered	Surface	Express/Special Delivery	311															
			Others	312															
		Airmail	Express/Special Delivery	313															
			Others	314															
	Express/Special Delivery Non-Registered		Surface	315															
			Airmail	316															
Sub Totals																			
G. Total																			(G)

2. Work Volume Survey Sheets for FSMDC

Work Flow Chart of Outward International Mails

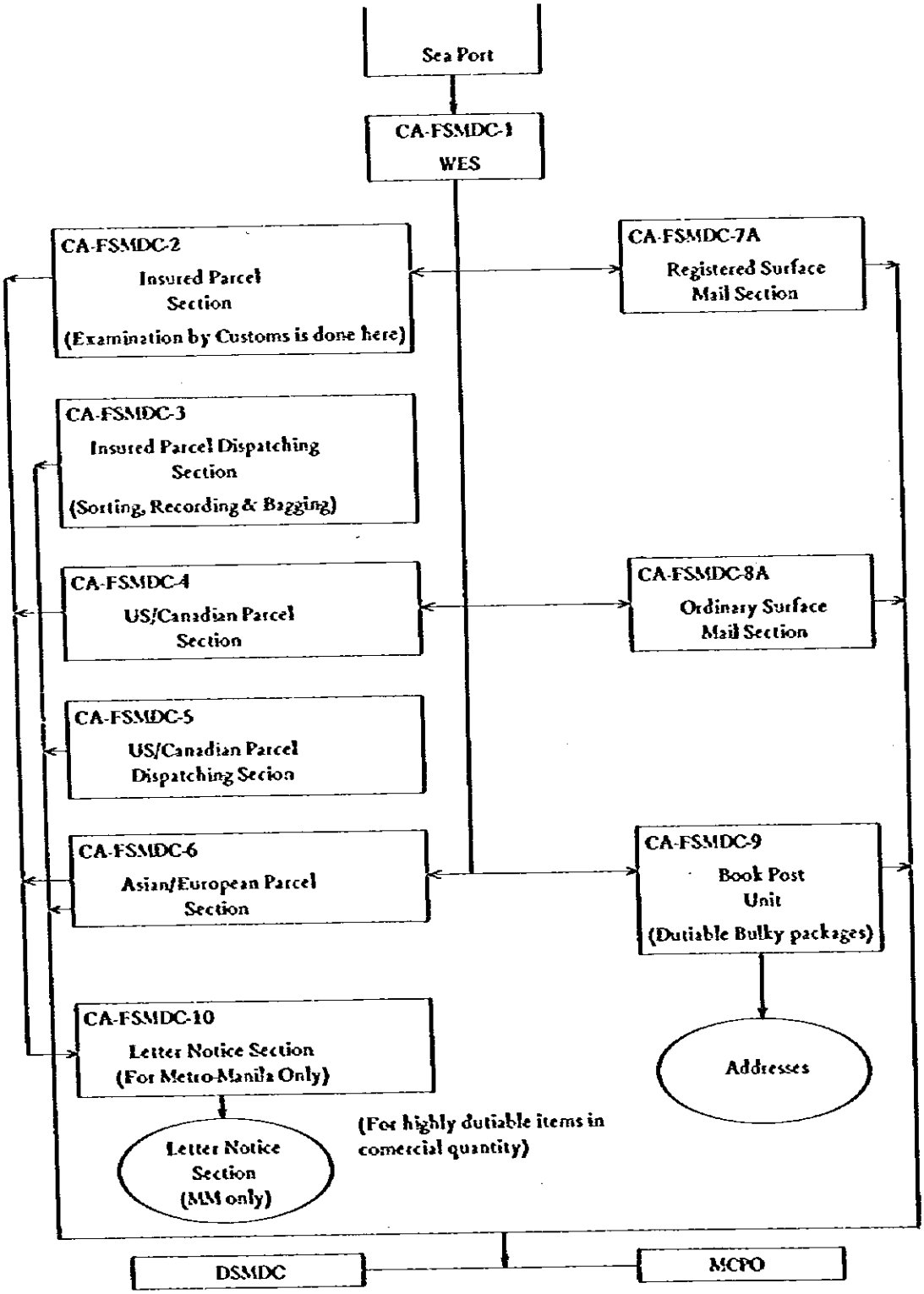
(Foreign Surface Mail Distribution Center)



Foreign Surface Mail Distributuion Center

Department / Section	Indoor					Outdoor				Trans-portation
	Counter Service			Processing	Receiving & Dispatching	Ordinary Delivery	Special Delivery	Speed Airmail	Collection	
	Stamps Sales	Window Delivery	Window Acceptance							
Waterfront & Emptiss	X	X	X	X	X	X	X	X	O	O
Insured Parcel	X	X	X	O	O	X	X	X	X	X
Insured Parcel Dispatching	X	X	X	O	O	X	X	X	X	X
US/Canadian Ordinary Parcel	X	X	X	O	O	X	X	X	X	X
US/Canadian Parcel Dispatching	X	X	X	O	O	X	X	X	X	X
Asean/European Parcel	X	X	X	O	O	X	X	X	X	X
Registered Surface Mail (Incoming)	X	X	X	O	O	X	X	X	X	X
Outward Int'l. Mails (Registered)	X	X	X	O	O	X	X	X	X	X
Ordinary Surface Mail (Incoming)	X	X	X	O	O	X	X	X	X	X
Outward Int'l. Mails (Ordinary)	X	X	X	O	O	X	X	X	X	X
Books Package Unit	O	O	X	O	O	X	X	X	X	X
Letter Notice Section	O	O	X	O	O	X	X	X	X	X
Outgoing Parcel (Final Dispatching)	X	X	X	O	O	X	X	X	X	X

Work Flow Chart of Inward Internaitonal Mails
(Foreign Surface Mail Distribution Center)



Form CA-FSMDC-1

Waterfront & Empties Section

Function: 1) Conveyance of Inward & Outward International Mails
2) Distribution of Mail Bags to Different Processing Sections of the Centers according to Categories

Survey Date

Category by Color of Labels	Inward International Mails (in Bags)		Outward International Mails (in Bags)		Totals
	Outdoor	Indoor	Indoor	Outdoor	
	Receiving	Dispatching	Reciving	Dispatching	
Green Blue White Red Orange Blue/White Red/White					
Total					

Note: Fill only the number of bags received and dispatched for incoming mails; and the number of bags received and dispatched for outgoing mails, on the respective columns corresponding to the day's transaction. In filling out the "Outdoor Receiving" column for incoming mails classify the bags according to color of label indicating total received for each kind of label.

Form CA-FSMDC-2

Insured Parcel Section

Functions: 1) Receiving & Recording, Processing & Checking
2) Examination & Appraisal of Duties by Customs

Survey Date

Indoor Activites		
Receiving & Opening of Parcel Bags		Processing of Parcels
Bags Received	Bags Opened	No. of Parcesl Processed

Note: Fill in the respective columns the number of bags received, opened; and the number of parcel packages processed after bags are opened and dumped.

Form CA-FSMDC-3

Insured Parcel Dispatching Section

Function: 1) Receiving, Sorting & Recording
2) Preparation of Dispatches According to Established Routing Scheme

Survey Date

Indoor Activities		
Sorting & Recording of Parcels	Processing	
	No. of Parcel Items	Bags

Note: On the "Sorting and Recording" column, just indicate of the number of parcel items sorted and recorded; and in the "Items" and "Bags" Columns, correspondingly write the number of parcel items and the number of bags processed and to which parcels are contained.

Form CA-FSMDC-4

US/Canadian Ordinary Parcel Section

Function: 1) Receiving & Processing
2) Examination & Appraisal of Duties by Customs

Survey Date

Indoor Activities		
Receiving & Opening of Parcel Bags		Processing of Parcels
Bags Received	Bags Opened	No. of Parcel Processed

Note: Fill in the number of bags received and opened respectively on the columns "Bags Received" and "Bags Opened"; Then fill number of parcels processed in the following column.

Form CA-FSMDC-5

US/Canadian Parcel Dispatching Section

Function: 1) Receiving, Sorting & Recording
2) Preparation of Dispatches According to Established Routing Scheme

Survey Date

Indoor Activities		
Sorting & Recording of Parcels	Processing	
	No. of Parcel Items	Bags

Note: Fill in number of parcel items sorted and recorded under column "Sorting and Recording." Thenceforth indicate number of parcels processed and placed in bags, under "Item" Column; and write under "Bags" column the total number of bags to which these items are contained.

Form CA-FSMDC-6

Asian/European Parcel Section

Function: 1) Receiving & Processing
2) Examination & Appraisal of Duties by Customs
3) Preparation of Dispatches According to Established Scheme of Routing

Survey Date

Indoor Activities				
Receiving & Opening of Parcel Bags		Processing of Parcels		
Bags		Sorting & Recording	Bagging	
Received	Opened		Parcel Items	Bags

Note: On the 1st two columns from the left, correspondingly write the number of bags received and opened; and in the following column, fill in the number of parcels sorted and recorded. Indicate total number of parcel Items placed in bags in "Items" column, and wirte under "Bags" column total number of bags prepared/Processed for these items.

Form CA-FSMDC-7A

Registered Surface Mail Section

Function:
1) Receiving & Processing
2) Examination & Appraisal of Duties by Customs
3) Preparation of Dispatches According to Established Routing Scheme

Inward International Mails
Source: Foreign Mails

Survey Date

Indoor activities						
Receiving & Opening of Bags		Processing				
		Sorting & Recording		Bagging		
				Items		Bags
Bags Received	Bags Opened	LC	AO	LC	AO	

Note: This refers to incoming foreign registered surface mails. On columns "Bags Received" and "Bags Opened", correspondingly indicate the number of bags received and opened. Then, in the "Sorting and Recording" column which is subdivided into LC and AO, correspondingly write the number of letters and all other items sorted and recorded, after which, indicate number of LC and AO item placed in bags, and then the total number of bags containing such items.

Form CA-FSMDC-7B

Outward International Mails (Registered)
Source: Domestic Mail

Survey Date

Indoor Activities						
Receiving & Opening of Bags		Processing				
		Items Processed		Bagging		
				Items		Bags
Bags Received	Bags Opened	LC	AO	LC	AO	

Note: This refers to outgoing registered foreign surface mails. On the first two columns (from the left), correspondingly indicate the number of bags received and opened. and on the succeeding two columns respectively write the number of letters and AO processed. Then indicate the number of letters and AO in the next two columns following the same order, and then the total number of bags into which such items are placed.

Form CA-FSMDC-8A

Ordinary Surface Mail Section

Function: 1) Receiving & Processing
2) Preparation of Dispatches According to Established Routing Scheme

Inward International Mails
Source: Foreign Mail

Survey Data

Indoor Activities										
Receiving & Opening		Processing								
		Items Processed						Bagging		
Bags		LC		AO				Items		Bags
				Printed Matter						
Received	Opened	Letters	Cards	2nd Class Publ.	Books	Others	Small Packet	Letters	AO	

Note: This refers to incoming foreign ordinary surface mails. On the first two columns (from the left), correspondingly fill in the number of bags received and opened. On the "LC" column which is subdivided into Letters and Cards, respectively fill in the number of letters and cards. Under Printed Matters, fill in each column for "2nd Class Publications", "Books" and "Others". Indicate number of small packet on the column provided for it. On the last three remaining columns, fill in number of letters and AO's respectively and total number of bags to which these items are placed.

Form CA-FSMDC-8B

Outward International Mails (Ordinary)
Source: Domestic Mail

Survey Data

Indoor Activities										
Receiving & Opening		Processing								
		Items Processed						Bagging		
Bags		LC		AO				Items		Bags
				Printed Matter						
Received	Opened	Letters	Cards	2nd Class Publ.	Books	Others	Small Packet	Letters	AO	

Note: This refers to outgoing foreign ordinary. On the first two columns (from the left), fill in the number of bags received and opened; and in the succeeding two columns, write the number of letters and cards processed. Under Printed Matter, fill in each of column for "2nd Class Publications", "Books" and for "Others". Then fill in columns for "Letters" and "AO" and number of bags under Bags column to which letters and all other items are contained.

Form CA-FSMDC-9

Book & Package Unit (Incoming)

Function: 1) Receiving & Processing
2) Examination & Appraisal of Duties by Customs
3) Delivery to Addressees

Survey Date

Indoor Activities					
Receiving & Opening of Bags		Processing	Window Delivery of Books & Packages		
Bags		Packages Processed	Items	Delivery Fee & Other Charges	
Received	Opened			Costoms Fee	Delivery Fee

Note: Indicate the number of bags received and opened on the first two columns (from the left); and the third column, write the number of books and packages (AO) processed. In filling in the "Items" column, write only the total number of books and pakages delivered indicating in the columns for the purpose the aggregate respective customs fees and delivery fees.

Form CA -FSMDC-10

Letter Notice Section (Incoming Parcel)

Function: 1) Receiving & Processing
2) Examination & Appraisal of Duties by Customs
3) Delivery to Addressees

Survey Date

Indoor Activities				
Receiving	Processing & Examination	Delivery		
		No. of Items	Delivery Fee & Other Charges	
			Customs Fees	Delivery Fees

Note: On the first column, write the number of parcels, received; on the second column fill in the total number of parcel/packages processed and examined by Customs Examiner.

Form CA-FSMDC-11

Outgoing Parcel Section (Final Dispatching)

Function: 1) Receiving & Processing
2) Preparation & Dispatching According to Established Routing Scheme

Outward International Mail

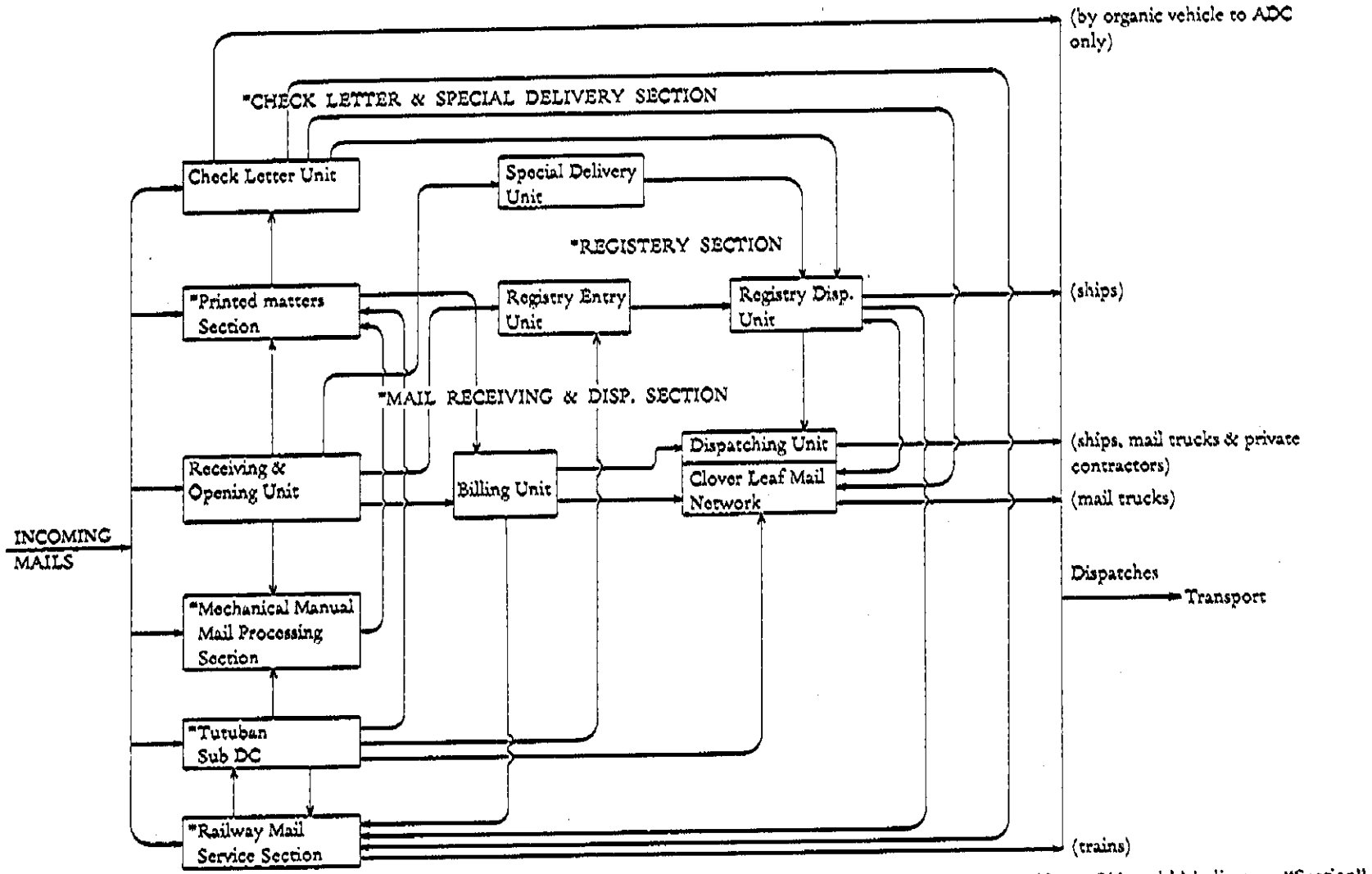
Survey Date

Indoor Activities				
Receiving & Opening of Bags		Processing		
			Bagging	
Bags Received	Bags Opened	Parcels Processed	Percel Items	Bags

Note: Fill in number of bags received and opened on the first two columns from left. Then write total number of parcel items processed in the succeeding column; and thereafter indicate number of parcels placed in bags and number of bags sealed. Refer to columns for the purpose.

3. Work Volume Survey Sheets for DSMDC

Work Flow Chart of Domestic Surface Mail Distribution Center



WORK FLOW CHART of Domestic Surface Mail Dist. Center "D"

Note: "(Asterisk) indicates a "Section"

CA-DSMDC

Domestic Surface Mail Distribution Center

Section	Indoor					Outdoor				Transpor-tation
	Counter Service			Processing	Receiving & Dispatching	Ordinry Delivery	Special Delivery	Speed Airmal	Collection	
	Stamp Sales	Window Delivery	Accept-ance							
Mail Receiving & Dispatching	X	X	X	O	O	X	X	X	O	O
Registry	X	X	X	O	O	X	X	X	X	O
Printed Matters	X	X	X	O	O	X	X	X	X	X
Check Letters & Special Delivery	X	X	X	O	O	X	X	X	X	O
Mechanical & Manual	X	X	X	O	O	X	X	X	X	X
Midnight Mail Processing	X	X	X	O	O	X	X	X	O	O
Railway	X	X	X	O	O	X	X	X	O	O
Tutuban Sub-DC	X	X	X	O	O	X	X	X	O	X

Form CA-DSMDC-1

Mail Receiving & Dispatching Section

		Collection	Receiving	Porcessing	Dispatching	Transportation	Total
Ordinary	1st Class						
	2nd Class						
	Books						
	Printed Matters						
	Parcels						
	Loose Registered						
	Inner Registered Sack						
	Special Delivery						
	Air Mail Letters						
Direct Dispatch	Ordinary Mail Bags						
	OPSS → FSMDC						
	DC → DC						
	Air Parcels						
	Air Mail Sacks						
	APO → FSMDC						

Prepared By:

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Form CA-DSMDC-2-A

Registry Section

		Receiving	Processing	Receiving Dispatching
Surface	1st Class			
	Parcels			
	Others			
	Total			
Airmail	1st Class			
	Parcels			
	Others			
	Total			

Prepared By:

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Form CA-DSMDC-2-B

Registry Section

		Manila	Processing Case 1	2	3	4	5	6	7	8	9	10	11	Total
Surface	1st Class													
	Parcels													
	Others													
	Total													
Airmail	1st Class													
	Parcels													
	Others													
	Total													

Prepared By:

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Form CA-DSMDC-2-C

Registry Section

Dispatching

Philippine Mail Truck					Sub Total	Clover Leaf Mail Network	Private Contractors	Inter Island Vessels	ADC Courier	Train	Total
Bayombong	Bulacan	San Pablo	Cavite	Rizal Mail							

Prepared By:

Form CA-DSMDC-3

Printed Matters Section

			Receiving	Processing	Dispatching	Total
Domestic		2nd Class				
		Book				
		Parcel (Bulky)				
		Printed Matters				
		Others				
Foreign	Incoming	2nd Class				
		Printed Matters				
		Small Packets				
		Parcels				
		Others				
	Outgoing	2nd Class				
		Printed Matters				
		Small Packets				
		Parcels				
		Others				

Prepared By:

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Form CA-DSMDC-4-A

Check Letter & Special Delivery

Check Letter Unit

	Receiving	Processing	Dispatching	Transportation	Total
U.S.V.A.					
Fleet Post Office					
Department of The Army					
AFP Finance Cener					
ADC, Mia					
White Label Unit DSMDC					
P.V.A.					
Others					

Prepared By:

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Form CA-DSMDC-4-B

Check Letter & Special Delivery

Sepcial Delivery Unit

		Receiving	Processing	Dispatching	Transportation	Total
Domestic	Surface					
	Airmail					
Foreign	Incoming					
	Outgoing					

Prepared By:

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Form CA-DSMDC-5

Mechanical & Manual Section

		Receiving	Processing	Dispatching	Left Over	Total
Domestic	Ordinary 1st Class					
	Air Mail (to Non-Air Mail Points)					
	Special Delivery					
	Dead Letter Office					
	Others					
Foreign	Ordinary 1st Class					
	Air Mail (to Non-Air Mail Points)					
	Others					

Prepared By:

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Form CA-DSMDC-6

Midnight Mail Processing Seciton

			Collection	Receiving	Processing	Dispatching	Transportation	Total
Domestic		1st Class						
		Ordinary						
Foreign		1st Class						
		Ordinary						
		Others						
Direct Dispatch	Bags	Ordinary Mail Bags						
		Sealed Sacks						
		OPSS						
		DC → DC						
		Air Parcels						
		Air Mail Sacks						
		Army Post Office						
		Total						

Prepared By:

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Form CA-DSMDC-7

Railway Section

Type of Service \ Department				Indoor		Outdoor		
				Processing	Receiving Dispatching	Collection	Transportation	Total
Bags	Northbound		Registered					
			OPSS					
			Ordinary					
			Parcels					
			Others (Air Mails)					
	Southbound		Registered					
			OPSS					
			Ordinary					
			Parcels					
			Others (Air Mails)					
Loose Mail	Domestic		1st Class					
			2nd Class					
			Books					
			Parcels					
			Others					
	Foreign	Outgoing	Letters					
			Postcards					
			Printed Matters					
			2nd Class					
			Parcels					
			Small Packets					
		Incoming	Letters					
			Postcards					
			Printed Matters					
			2nd Class					
			Parcels					
			Small Packets					

Prepared By:

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Form CA-DSMDC-8

Tutuban Sub-DC

Type of Service \ Department				Indoor		Outdoor		
				Processing	Receiving & Dispatching	Collection	Transportation	Total
Bags	Northbound		Registered					
			OPSS					
			Ordinary					
			Parcels					
			Others					
	Southbound		Registered					
			OPSS					
			Ordinary					
			Parcels					
			Others					
Loose Mail	Domestic		1st Class					
			2nd Class					
			Books					
			Parcels					
			Others					
	Foreign	Outgoing	Letters					
			Postcards					
			Printed Matters					
			2nd Class					
			Parcels					
			Small Packets					
		Incoming	Letters					
			Postcards					
			Printed Matters					
			2nd Class					
			Parcels					
			Small Packets					

Prepared By:

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PART 3.

SURVEYS NECESSARY FOR COST ACCOUNTING

I. SURVEYS FOR COST ACCOUNTING

[I] Surveys to Establish Basic Coefficients for Cost Accounting

This survey is designed to obtain the basic coefficients which will be applied to the apportionment and computation, by type of service, of the costs relative to type of work. It is carried out whenever there is a change in the working method or in the type of service.

Among surveys to be carried out, the "Coefficient survey for indoor postal operation" and "Coefficient survey for outdoor postal operation" play an extremely important role in which cost accounting results may be greatly affected by these two Coefficient surveys.

However, as both of the surveys require a great deal of work, generally speaking it will be sufficient to re-examine these coefficients once in 3 years or once in 5 years after carrying out these surveys, so long as there are no radical changes in the given conditions.

1. Outline of Coefficient Survey for Indoor Postal Operation

1. Objective

Coefficient for indoor postal operations are among the basic data needed to apportion expenses for indoor operations, to each type of service. This survey is carried out in order to make it possible to calculate working times per item for each type of service, and by each department of operations.

2. Preparation of work steps

(1) Preparation of work step chart

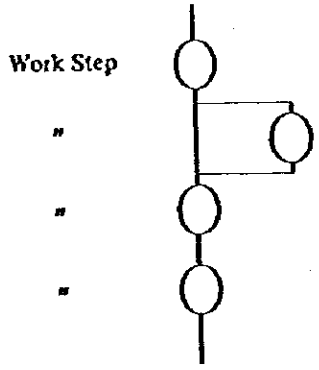
a. Work step charts are prepared by the type of service, in accordance with the items shown in IDFORM 4 (See Page 131) and by departments in accordance with the item shown in the heading of the same form.

b. Work step charts are prepared in accordance with the work steps by title in Annex 1. (See Page 121).

(2) Outline of how to prepare work step charts

a. Original work steps for each office concerned are entered in the column "work step chart" of IDFORM 3 titled "Work step chart and calculation table for representative working hours".

b. In each column corresponding to a work step, the symbols entered successively in the order of work steps are linked by a line. In cases where a certain work step originates only in a part of the mail items, the symbols and lines are further linked as follows:



(3) Remarks on the preparation of work step charts

Work steps vary according to the size and type etc., of post offices concerned. Consequently, in the preparation of work step charts, it is advisable to consult senior officials who are well informed of each work step of the department concerned, and to make up work steps which are based on actual conditions.

(4) Preparation of layout of mail operation room

A layout of the mail operation room of the office for which the survey is carried out has to be made up (size and design of forms are optional).

3. Measurement of Work Time per Unit

(1) Measurement for working time per unit by worksteps

a. Measurement of working time per unit by work steps is carried out both by types of service and by departments.
b. Measurement of working time per unit by work steps is also carried out according to work step charts prepared in the previous item 2.

(2) Researchers and employees concerned in the survey

a. Researchers are in principle, officials of headquarters.
b. Employees to be surveyed are indoor staff of post offices concerned. They

should be as many as possible and should not be inexperienced.

(3) Number of times per work step to be measured

More than 10 times per work step, in principle.

(4) Outline of the survey

a. Duration of time required by work steps and their corresponding number of items, number of times, number of pieces etc., (from now on called quantity) are surveyed and entered in IDFORM 1 "Survey form for working time per unit".
b. Duration of time required is expressed in second as a unit.
c. Units used for quantity are to be number of items, number of cases, number of times, number of pieces etc., depending on the contents of each work step.
d. In cases where a work step is performed by two employees at the same time, total man-hours are to be recorded (CF: Segregation of mail items etc.)
e. Duration of time required also includes time required for the preparation and arrangement of the work step concerned.
f. Duties not relating to regular service operations are not included in the survey.

(5) Duration of time for the survey

It should be kept in mind that hours for survey should be chosen from all hours and not biased.

(6) Outline of calculation for working time per unit by work step

a. On the basis of time required for the operation, and of quantities of times for each work step measured or taken in the manner mentioned above, working time per unit is calculated per each time of survey by the following formula and then entered in the appropriate column in the IDFORM 1 "Survey form for working time per unit".

$$\frac{\text{Duration of time required}}{\text{Quantity}} = \text{Working time per unit (ti)}$$

b. In the next stage, average values for working time per unit by each work step are calculated by the following formula and then entered in the column for average value in the same form.

$$\frac{\text{Sum total of working time (ti) per unit per survey}}{\text{Number of surveys performed (n)}}$$

$$= \frac{\Sigma\, ti}{n} = \text{Average working time}$$

4. Survey for Number of items etc., by work steps

(1) Details of the survey

Surveys for number of items etc., are performed by type of service, and by the work steps of each department, such as acceptance, dispatch, arrival, delivery at the post office counter, sale of postage stamps etc., and in principle for one day.

(2) Outline of the survey

After having surveyed numbers of mail items, numbers of bundles etc., by step of operation, Tables 1 and 2 of IDFORM 2 "Survey form for number of items by work steps, by departments, etc." are prepared.

5. Survey for number of items by work departments

(1) Details of the survey

Surveys for number of items by department are prepared by the types of service and for each department such as acceptance, dispatch, arrival, delivery at the post office counter, sale of stamps etc., and in principle for one day.

(2) Outline of the survey

For each department shown in Annex 1, Tables 1, 2 and 3 of IDORM 2 "Survey form for number of items by work step, by department, etc." are prepared.

6. Calculation of representative working time

(1) Representative working time is computed through the following calculation by type of service and on the basis of IDFORM 3 "Work step charts and calculation from for representative working time".

a. Time required for each work step is calculated separately by multiplying working times per unit by work steps and quantities (number of items etc.). The total time required by all departments is then obtained by summing up time required by each department.

b. At the next stage, processing working time per item by department is obtained by dividing total time required for each department by number of items for each department.

(2) The processing working times per item by type of service and by department thus calculated are brought together in IDFORM 4 "Summary Sheet for representative working times by type of service and by department".

This data is the representative working time for the office required.

7. Computation method for equivalent coefficient

(1) Computation of average working hours by strata of the post offices

a. Representative working hours by type of service and by department or activity of post office calculated at each survey post office, in the manner explained in item 6 above are stratified to the post office classification such as A-1, A-2, B, C, D and E.

b. Working hours by strata required for each post office surveyed classified into strata are computed by multiplying representative working hours of each post office by number of mail items of the post offices concerned.

Weighted average working hours by strata of the post offices are calculated by dividing sum total of the working hours of the post offices concerned by the number of mail items handled in those post offices. This calculation will be carried out by type of service and by department or activity of post office (see Table IDFORM 5).

(2) Calculation of nation-wide unit efficiency by type of service and by department or activity of the post office.

a. Number of items by strata

(a) Number of mail items for the nation-wide basis taken through a regular mail volume survey (Example; Mail volume survey performed for approximately 300 post offices throughout the country by mail inquiry in November 1978) (See CA-FORM) will be stratified according to post office classification.

And number of mail items are totalled by each work department or activity

of the post office and by the type of service.

(b) Number of mail items by type of service thus calculated will be used as a basis in projecting a nation-wide mail volume. In doing so the number of post offices by class throughout the country is used as a multiplier.

b. Computation of unit efficiency

Total working hours by strata are calculated by multiplying average working hours (by types of service and by strata) calculated in the manner described-above (See (1), b.) by number of mail items (by strata) calculated in the manner explained in (2), a., (b).

Weighted average unit efficiency for all strata by type of service are calculated by dividing sum total of working hours of all strata by total number of mail items by strata. (See Table IDFORM 2.)

(3) Calculation of equivalent coefficient

After calculating unit efficiency by type of service and by working department or activity in the manner mentioned in (2), b., unit efficiency for the 1st class mail item is considered as 100 (one hundred) and unit efficiency for other type of service is converted to ratios on the basis of 100 for the 1st class mail item to facilitate calculation and comparison among different type of service.

These ratios calculated on the basis of 100 for 1st class mail items are then called equivalent coefficients.

Annex 1.

List of Work Steps by Department or Activity of Indoor Operations

These work steps represent general steps found in ordinary post offices. Accordingly, these work steps should be supplemented or modified in accordance with actual conditions of the post office concerned.

Department or Activity	Work Step	Department or Activity	Work Step
Ordinary letter mail			Turn over of mail items
Acceptance of mail items at the counter	Acceptance of mail items postage paid without stamps affixed (example: 2nd class mail)		Outgoing sorting
	- - - Payment in cash		- - - Standard sized items
	- - - Payment in stamps		Primary sorting Secondary sorting
	Acceptance of mail items postage paid by the use of franking machine		- - - Non-standard sized items
	Cancelling of stamps		Primary sorting Secondary sorting
	Conveyance of mail items		- - - Sorting direct to mail bags
	Putting in order the postage receipts for the daily transactions		Consultation of sorting schedule
	Disposal of collected amount and turn over thereof to the cashier or to the postmaster		Examination of sorted items
			Bundling
Dispatching	Collection of mail items from the mail boxes installed at the counter or in front of post offices and conveyance thereof		Sorting of bundles of transit mail
	Culling and facing		Bagging
	Cancelling - - - Manual		Dispatching
	- - - Machine		Handling of underpaid or unpaid items
			handling of erratic mail items
		Arrival	Receipt of dispatches

Department or Activity	Work Step
	Opening of bags
	Segreration of bundles
	Culling and facing of loose items
	Untying of bundles
	Sorting of incoming items
	Handling of missent and undeliverable items
Delivery	Delivery sorting
	- - - Standard sized items
	- - - Non-standard sized items
	Handling of Business Reply Envelopes
	Handling of underpaid or unpaid items
	Handling of erratic mail
	Handling of returned mail
P.O. box delivery and General delivery	P.O. box delivery
	Conveyance of mail items
	Preliminary sorting
	Bundling
	Sorting to P.O. boxes
	Handling of undeliverable and erratic items
	General delivery
	Backstamping incoming items

Department or Activity	Work Step
	Recording
	Conveyance
	Handling of unclaimed or undeliverable items
Ordinary Express Mail	
Acceptance over the counter	Acceptance
	- - - Stamps
	- - - Franking machine
	Acceptance of express mail items postage paid without stamps affixed
	Conveyance of items
	Putting in order the postage receipts for the daily transactions
	Disposal of collected amount and turn over thereof to the cashier or to the postmaster
Dispatching	Collection of mail items from mail boxes installed either at the counter or in front of post offices
	Culling and facing
	Cancelling
	- - - Manual
	- - - Machine
	Turn over of mail items
	Out going sorting

Department or Activity	Work Step
	- - - Standard sized items
	- - - Bulky items
	Checking of sorted items
	Preparation of slips for bundles
	Bundling
	Sorting of transit bundles
	Bagging, closing and turning over
	Preparation of daily accomplishment report
	Handling under-paid or unpaid and other erratic items
Arrival	Opening of express mail bags
	Segregation of bundles
	Untying of bundles
	Incoming sorting
	Putting in order express mail bags
	Handling of erratic mail
Delivery	Untying
	Datestamping
	Recording
	Handling of erratic items

Department or Activity	Work Step
P.O. box delivery and General delivery	Conveyance of mail items
	Recording
	Sorting to P.O. boxes
	Handling of undeliverable items
Registered items	
Acceptance	General acceptance
	Acceptance of mail items postage paid by the use of franking machine
	Acceptance of mail items postage paid without stamps affixed
	Acceptance of postage free items
	- - - Money orders
	- - - Ex-service men's checks
	- - - Others
	Acceptance of items for certification of delivery items
	Acceptance of cash on delivery items
	Recording in delivery and receipt book
	Conveyance and turn over
	Putting in order the records for receipt of postal charges
	Putting in order the registered items records

Department or Activity	Work Step	Department or Activity	Work Step
Dispatching	Disposition of collected amount and turn over thereof to the cashier or to the postmaster Preparation of daily accomplishment report Checking of number of items Outgoing sorting - - - Primary sorting - - - Secondary sorting Consultation of sorting directory Checking of sorted items Preparation of dispatch bills and records thereof Checking the balance of number of items received and dispatched Preparation of slips for inner registered bag Bundling of items Placing into enclosed registered bags and closing thereof Sealing Recording and checking records of registered bag delivery record book Conveyance and turn over Sorting of registered mail bags	Arrival	Preparation of dispatching bills Bundling of enclosed registered bags Putting in order the records of dispatching bills for registered items Putting in order the records of dispatching bill for enclosed registered mail bags Examination of daily balance sheet Storage of enclosed registered mail bags Handling of erratic items Checking the number of enclosed registered mail bags received with the relative dispatch bill Recording Transferring transit enclosed registered bags to other sections Arrival sorting of enclosed registered mail bags Opening of enclosed registered mail bags Counting the number of items contained in enclosed registered mail bags Arrival sorting

Department or Activity	Work Step	Department or Activity	Work Step
	Putting in order the received dispatch bill for registered items		Putting in order the delivery receipts
	Putting in order the empty enclosed registered mail bags		Putting in order the records for postal charges and fees
	Examination of daily balance sheet		Disposal of certificates of delivery
	Handling of erratic items		Disposal of Cash on Delivery notices
Delivery	Delivery sorting		Examination of daily balance sheet
	Preparation of delivery notes		Handling of erratic mail
	Recording of registered items addressed to the post office itself		Turn over of the collected cash to the cashier or the postmaster
	Preparation of receipts for postal charges and fees	P.O. box delivery	Conveyance of mail items and turn over thereof
	Preparation of certificates of delivery for certified delivery items		Sorting
	Preparations of arrival notice for Cash on Delivery items		Sorting of notices
	Checking of number of items handled	General delivery	Back stamping of incoming items
	Recording in the delivery and receipt book		Conveyance and turn over
	Turning over the items to delivery section		Recording
	Reception of returned items from the delivery section	Counter delivery	Receiving and storage
	Arrangement for next delivery for returned items		Delivery over the counter
	Recording in the re-delivery record book		

Department or Activity	Work Step
Parcel Post	
Acceptance	General acceptance
	- - - Stamps
	- - - Franking machine
	Acceptance of postage paid items without postage stamps affixed
	Acceptance of certified delivery items
	Acceptance of cash on delivery items
	Conveyance of mail items
	Recording in delivery record book
	Putting in order the receipt of postal charges
	Putting in order the receipt for registered items accepted
	Turn over of the collected cash to the cashier
	Preparation of daily accomplishment report
Arrival	Receipt of dispatch
	Checking of number of items received
	Outgoing sorting
	- - - Primary sorting
	- - - Secondary sorting

Department or Activity	Work Step
Delivery	Consultation of sorting directory
	Putting in order the delivery bill received
	Checking the number of items received
	Disposal of dispatching bill
	Examination of daily balance sheet
	Handling of erratic mail
	Date stamping incoming parcels
	Delivery sorting
	Recording
	Preparation of arrival notice
	Preparation of delivery certificates
	Preparation of arrival notices for cash on delivery parcels
	Checking the number of parcels and storage of parcels
	Turn over to delivery section
	Receipt of returned parcels from delivery section
	Arrangement for re-delivery
	Recording of re-delivery parcels
	Putting in order the delivery receipts

Department or Activity	Work Step	Department or Activity	Work Step
	Putting in order the receipts for postal charges		Sorting of arrival notices
	Disposal of delivery certificates		Delivery to the addressees
	Disposal of arrival notices for cash on delivery parcels	General delivery and Counter delivery	Date stamping incoming parcels
	Examination of dairy balance sheet		Recording in general delivery record book
	Handling of erratic parcels		Storage of parcels
	Turn over of the collected cash to the cashier		Delivery to the addressees
P.O. box delivery	Receipt and conveyance of parcels to be delivered		

IDFORM 1

Date: ______________

Researcher: ____________

SURVEY SHEET FOR WORKING TIME PER UNIT

Post Office: ______________________ Type of Department (Activity):

Type of Service: ____________________ Unit: Second

Work Step	Classification	Samples of Working Time Measured										Total	Average
		1	2	3	4	5	6	7	8	9	10		
	Processing time (1)												
	Quantity (2)												
(Unit:)	per item (1)/(2) (3)												
	Processing time (1)												
	Quantity (2)												
(Unit:)	per item (1)/(2) (3)												
	Processing time (1)												
	Quantity (2)												
(Unit:)	per item (1)/(2) (3)												
	Processing time (1)												
	Quantity (2)												
(Unit:)	per item (1)/(2) (3)												
	Processing time (1)												
	Quantity (2)												
(Unit:)	per item (1)/(2) (3)												
	Processing time (1)												
	Quantity (2)												
(Unit:)	per item (1)/(2) (3)												
	Processing time (1)												
	Quantity (2)												
(Unit:)	per item (1)/(2) (3)												
	Processing time (1)												
	Quantity (2)												
(Unit:)	per item (1)/(2) (3)												
	Processing time (1)												
	Quantity (2)												
(Unit:)	per item (1)/(2) (3)												

Remarks:

1. In the 'Work step' column, names of work steps determined in the work step charts are entered followed by the unit of quantity in parenthesis.
2. In the column "Samples of Working Time Measured", processing time and quantity (number of items etc.) for each survey are entered, and working time per unit is calculated later through formula Processing time / Quantity, (Correct to three decimal places).
3. In the "average" column, average processing time per unit, calculated through the formula Sum total of processing time per unit / Number of times of measurement.

IDFORM 2-1

SURVEY SHEET FOR NUMBER OF ITEMS BY WORK STEPS AND BY DEPARTMENT

Date: Region: Name of Post Office:

Type of Department	Work Step	Unit	Type of Service						
			Surface					Air Mail (Non-Speed)	-------
			1st Class	2nd Class	Books	Parcels	Others		

IDFORM 2-2

SURVEY SHEET FOR NUMBER OF PIECES ETC., BY WORK STEP AND BY DEPARTMENT

[Selling Postage Stamps etc.]

Period of Survey:
from to Region: Name of Post Office:

Type of Work Step	Unit	Number of Pieces etc.	Remarks
Selling Postage Stamps			
Postage Stamps	pieces		
Air Letter			
.			
.			
.			

IDFORM 3

WORK STEP CHART AND REPRESENTATIVE WORKING HOUR CALCULATION

Type of Service:

Region:

Name of Post Office:

Type of Work	Step of Operation	Work step chart	Unit	Working hours per unit (1)	Quantity (Number of items etc.) by work step (2)	Time needed for each work step (1) x (2) (3)	Number of items by department or by activity (4)	Representative working hours (3) / (4) (5)

IDFORM 4

SUMMARY SHEET FOR THE REPRESENTATIVE WORKING HOURS BY TYPE OF SERVICE AND BY DEPARTEMNT OR ACTIVITY

Region: _____ Name of Post Office: _____

Type of Service \ Department or Activity					Stamp Sales	Window Mail Acceptance	Window Mail Delivery	Mail Processing	Bag Receiving and Dispatching	Delivery	P.O. Box Delivery
Stamp sales etc.	Stamps										
	Franking machine										
Domestic mail	Ordinary	Surface	1st class								
			2nd class								
			Books								
			Parcels								
			Others								
		Airmail (non-speed)									
	Express and Spl. Del. (non-reg'd)	Surface									
		Airmail									
	Registered	Surface	Non-Exp. & Spl. Del	1st class							
				Parcels							
				Others							
			Exp. & Spl. Del								
		Airmail	Non-Exp. & Spl. Del.								
			Exp. & Spl. Del.								
Domestic total											
Money order	Issued (item)										
	Paid (item)										
	Total (item)										

Note: For each column of this table, the representative working hours entered in column (5) of ID Form 3 are transferred.

IDFORM 5

CALCULATING SHEET FOR AVERAGE WORKING HOURS BY STRATA

Classification: _____ Type of Service: _____ Department or Activity: _____

Post Office	Representative working hours (1)	Number of items (2)	Working hours needed (1) x (2) = (3)	Average working hours $\left(\frac{\text{Total of (3)}}{\text{Total of (2)}}\right)$ = (4)
Total				

Notes: 1. For column (1), representative working hours per survey office are entered.

2. For column (2), number of mail items taken from regular survey or from surveys for cost accounting is entered by survey office.

3. This table is prepared by class of post offices, by type of service and by department or activities of post offices.

IDFORM 6

CALCULATION SHEET FOR NATION-WIDE UNIT EFFICIENCY BY TYPE OF SERVICE AND BY DEPARTMENT OR ACTIVITY

Department: _____

Type of Service	Strata of P.O.	Average working hours (5)	Number of mail items by strata (6)	Total working hours by strata (5) x (6) = (7)	Unit efficiency $\left(\frac{\text{Total of (5)}}{\text{Total of (6)}}\right)$ = (8)
	A-1 A-2 B C D E				
	Total				
	A-1 A-2 B C D E				
	Total				
	A-1 A-2 B C D E				
	Total				
	A-1 A-2 B C D E				
	Total				
	A-1 A-2 B C D E				
	Total				

Notes: 1. For column (5), representative working hours entered in column (4) of Table IDFORM 5 are transferred.

2. For column (6), extrapolated number of mail items by strata for nation-wide level (See 7, (2), a, (b)) are entered.

IDFORM 7

COMPUTATION TABLE FOR EQUIVALENT COEFFICIENT

Type of Services \ Department or Activity				Counter Service						Mail Processing		By Receiving and Dispatching	
				Stamp Sales		Window Mail Acceptance		Window Mail Delivery					
				Unit efficiency	Equiv. coef.	Unit efficiency	Equiv. coef.	Unit efficiency	Equiv. coef.	Unit efficiency	Equiv. coef.	Unit efficiency	Equiv. coef.
Stamp Sales			Stamps										
			Metered mach.										
Domestic mail	Ordinary	Surface	1st class										
			2nd class										
			Books										
			Parcels										
			Others										
		Aircail (non-speed)											
	Express & Spl. Del. (non-reg'd)		Surface										
			Aircail										
	Speed aircail												
	Registered	Surface	Non-Exp. Non-Spl. 1st class										
			Non-Exp. Non-Spl. Parcels										
			Non-Exp. Non-Spl. Others										
			Exp. & Spl. Del.										
		Aircail	Non-Exp. & Spl. Del.										
			Exp. & Spl. Del.										
Domestic total													
Money order		Issued (item)											
		Paid (item)											
Foreign outgoing	Ordinary	Surface	Letters										
			Postcards										
			Printed matters										
			2nd class										
			Small packet										
			Parcels										
		Aircail	Letters										
			Cards										
			Printed matters										
			Parcels										
	Registered	Surface	Exp. & Spl. Del.										
			Others										
		Aircail	Exp. & Spl. Del.										
			Others										
	Express & Spl. Del. (non-reg'd)		Surface										
			Aircail										
Foreign incoming	Ordinary	Surface	Letters										
			Postcards										
			Printed matters										
			2nd class										
			Small packet										
			Parcels										
		Aircail	Letters										
			Postcards										
			Printed matters										
			Air parcels										
	Registered	Surface	Exp. & Spl. Del.										
			Others										
		Aircail	Exp. & Spl. Del.										
			Others										
	Express & Spl. Del. (non-reg'd)		Surface										
			Aircail										
Foreign total													
Grand total													

Note: For calculation for unit efficiency, figures entered in column (B) of IDFORM 6 are transferred.

The following tables show methods of how to calculate representative efficiency expressed in time and how to summarize survey results concerned using a part of survey results of an Indoor Equivalent Coefficient Survey carried out at a post office.

IDFORM 3

Work Step Chart and Representative Working Hour Calculation

Type of Service: Ordinary 1st class Region: Name of Post Office:

Type of Work	Step of Operation	Work step chart	Unit	Working hours per unit (1)	Quantity (number of items etc.) by work step (2)	Time needed for each work step (1) x (2) (3)	Number of items by department or by activity (4)	Representative Working hours (3) / (4) (5)
				(second)	(pieces)	(second)	(pieces)	(second)
Out-going	Opening of mail boxes installed either at the post offfice counter or in front of the post office and conveyance of collected mail items		times	130.70	1.90	248.33	42,187	0.01
	Conveyance of accepted mail		times	53.00	8.77	464.81		0.01
	Culling and facing		pieces	1.11	4,080	4,528.80		0.01
	Cancelling		pieces	0.96	3,850	3,696.00		0.09
	Turn over		times	18.40	15.23	280.23		0.01

Ordinary 1st class (continued)

Type of Work	Step of Operation	Work step Chart	Unit	Working hours per unit (1)	Quantity (Number of items etc.) by work step (2)	Time needed for each work step (1) x (2) (3)	Number of items by department or by activity (4)	Representative Working hours (3) / (4) (5)
	Sorting		pieces					
	Regular sized items							
	Primary			1.12	42,012	47,053.44		1.12
	Secondary			1.31	23,896	31,303.76		0.74
	Non-regular sized items							
	Checking of missorting		pieces	20.20	17	343.40		0.01
	Manual bundling		bundle	12.62	1,080.93	13,641.34		0.32
	Mechanical bundling							
	Sorting of bundles		bundle	2.96	1,314.84	3,891.93		0.09
	Handling of unpaid and underpaid items		pieces	19.17	129	2,472.93		0.06
		Totals				107,924.38	42,187	2.56

IDFORM 3

Work Step Chart and Representative Working Hour Calculation

Type of Service: Registered Surface 1st class Region: Name of Post Office:

Type of work	Step of Operation	Work step chart	Unit	Working hour per unit (1)	Quantity (number of items etc.) by work step (2)	Time needed for each work step (1) x (2) (3)	Number of items by department or by activity (4)	Representative working hours (3) / (4) (5)
				(second)	(pieces)	(second)	(pieces)	(second)
Out-going	Receipt and conveyance of mail items		times	189.00	8.34	1,576.26		0.49
	Checking of number of items turned over		pieces	3.17	1,345.00	4,263.65		1.34
	Outgoing sorting							
	Primary		pieces	1.62	2,990.00	4,843.80		1.52
	Secondary		pieces	1.43	1,178.00	1,684.54		0.53
	Consulting sorting directory		pieces	62.40	5.00	312.00		0.10
	Preparation of delivery bill		sheets	33.25	323.00	10,739.75		3.37
	Checking of number of items dispatched		pieces	0.36	2,990.00	1,076.40		0.38

Registered Surface 1st class (continued)

Type of work	Step of Operation	Work step chart	Unit	Working hour per unit (1)	Quantity (number of items etc.) by work step (2)	Time needed for each work step (1) x (2) (3)	Number of items by department or by activity (4)	Representative working hours (3) / (4) (5)
				(second)	(pieces)	(second)	(pieces)	(second)
	Preparation of slips for registered mail bags		sheets	6.57	20.86	137.05		0.04
	Sorting and checking of missent items		bags	51.18	319.46	16,349.96		5.13
	Bundling							
	Placing items in bags and checking							
	Recording on delivery bill of reg'd mail bags and checking		times	7.00	18.48	129.96		5.13
	Conveyance of reg'd mail bags and delivery		times	37.20	18.48	687.46		0.22
	Sorting of reg'd mail bags		bags	2.41	515.54	1,242.45		0.39
	Preparation of delivery bill for reg'd mail bags		bags	8.62	515.54	4,443.95		1.39

Registered Surface 1st class (continued)

Type of work	Step of Operation	Work Step chart	Unit	Working hour per unit (1)	Quantity (number of items etc.) by work step (2)	Time needed for each work step (1) x (2) (3)	Number of items by department or by activity (4)	Representative working hours (3) / (4) (5)
				(second)	(pieces)	(second)	(pieces)	(second)
	Bundling of reg'd mail bags		bags	2.00	209.79	419.58		0.13
	Putting in order the delivery bill of items		times	35.60	18.48	657.89		0.21
	Putting in order the delivery bill for reg'd mail bags		times	30.4	18.48	561.79		0.18
	Arrangement of daily balance		times	59.20	0.60	35.52		0.01
	Handling of erratic items		pieces					
		Totals				49,287.42	3,186	15.47

IDFORM 4

SUMMARY SHEET FOR THE REPRESENTATIVE WORKING HOURS BY TYPE OF SERVICE AND BY DEPARTMENT OR ACTIVITY

Region: _____ Name of Post Office: _____

Type of Service \ Department or Activity					Stamp Sales	Window Mail Acceptance	Window Mail Delivery	Mail Processing	Bag Receiving and Dispatching	Delivery	P.O. Box Delivery
Stamp sales etc.	Stamps										
	Franking machine							Dispatching 2.56			
Domestic mail	Ordinary	Surface	1st class								
			2nd class								
			Books								
			Parcels								
			Others								
		Airmail (non-speed)									
	Express and Spl. Del. (non-reg'd)		Surface								
			Airmail								
	Speed airmail										
	Registered	Surface	Non-Exp. & Spl. Del.	1st class				Dispatching 15.47			
				Parcels							
				Others							
			Exp. & Spl. Del.								
		Airmail	Non-Exp. & Spl. Del.								
			Exp. & Spl. Del.								
Domestic total											
Money order	Issued (item)										
	Paid (item)										
	Total (item)										

Notes: 1. For each column of this table, the representative working hours entered in column (5) of Table IDFORM 3 are transferred. (Figures shown in the above table show relation between figures shown in IDFORM 3 listed above.)

2. Mail processing department may be divided into dispatching and arrival.

2. Outline of Coefficient Survey for Outdoor Postal Operation

1. Objective

Coefficient for outdoor postal operations are among the basic data needed to apportion expenses for outdoor operations, to each type of service. This survey is carried out in order to make it possible to calculate working times per item for each type of service, and by each department of operations.

Consequently, in any operation, ascertaining working time and number of items, by type of service is the object of conducting the survey.

2. Researchers etc.

The survey is divided into:

(a) Accompanied survey conducted by officials of Headquarters and/or experts.
(b) Unaccompanied survey which is conducted by the letter carrier in charge of the district for which the survey is conducted.

The person in charge of the exercise is called a researcher. Other personnel who take part in the survey are called assistant researchers.

3. Survey operation and tables prepared for the survey

(See Table attached.)

4. Measurement

Working time is taken beginning from the time the letter carrier in charge commences his rounds to finishing the work concerned, and deducting spare time and time of work interrupted (for example: time for seeing a visitor etc.). Consequently, this survey is carried out for actual working time and also for actual conditions of handling time by type of service.

Measurement of time is conducted in accordance with mail flow by work steps of outdoor operations and also by the type of service and in such a manner that normal working conditions are reflected.

In conducting the survey, the letter carrier in charge informs the researcher each time he begins a fresh work step in a successive operation.

As to items for which the survey by work steps and by the type of service is difficult to conduct, the survey is carried out in general. After that, time required for each type of service is apportioned using the ratio of number of items by the type of service of all types of mail items delivered in the area.

SURVEY OPERATION AND SURVEY SHEETS PREPARED IN THE SURVEY

Survey Classification	Person in Charge	Object of Duties to be surveyed	Table to be prepared
Accompanied or Unaccompanied	Researcher or Letter carrier	Exclusive delivery for letter mail delivery in urban delivery area (delivery on foot)	1. Survey table for indoor preparation (1) and (2) 2. Survey tables for outdoor operation (1) and (2)
		Delivery in suburban delivery area (delivery on motorcycle)	1. Survey tables for indoor preparation (1) and (2) 2. Survey table for outdoor operation (1), (2) and (3)
		Express mail delivery	1. Survey tables for express mail items 2. Survey tables for outdoor operation (1) and (2)
		Speed mail delivery	1. Survey tables for speed mail items 2. Survey tables for outdoor operation (1) and (2)
		Mounted collection	1. Survey tables for mounted collection 2. Survey tables for outdoor operation (3)

Notes: 1. As the survey tables (1) and (2) are prepared on the basis of work steps for suburban delivery area, only necessary columns are completed in using these survey sheets.

2. At the end of this chapter principal survey sheets required for these two surveys are attached. However, some of the survey sheets are omitted since these may be prepared on the basis of ODFORM 1, 2, 3 and 4.

Further, the following working times are not directly related to mail operation, although they are included in the object of the survey:

(1) Working hours associating mail operations such as cleaning of vehicles, times needed to matters relating to delivery and receipt of mail bos keys.

(2) In cases where operations relating to other delivery areas are performed at the same time, the working hours for other delivery areas are computable afterwards through the number of items etc., in question.

(For example, in cases where a supervisor performs primary sorting before handing over registered items to letter carriers concerned.)

In addition, putting in order of delivery data, aid to other section etc., using spare time after finishing delivery and collection, are not to be included in the survey.

5. Survey for number of mail items

Survey for number of mail items is conducted in order to assess processing hours per item/article by type of service on the basis of working times measured at stages mentioned above, and in order also to apportion the results taken in general.

The survey is performed by type of service, by work steps and carried out in a manner efficient and not duplicated in the survey. The main survey is performed as follows:

(1) Delivery operation

Survey is performed after the door to door preparation.

(Note: On delivery of items to each house, only necessary times are measured for the delivery of items to each house.)

(2) Mail collecting operation

By separating number of items collected from mail boxes and those collected at non-delivery post offices, the survey is performed after returning to the post office.

6. Survey method by working process

As to the method for measuring working hours by working process and the survey method for number of items, (see the tables of "Survey sheet for indoor preparation" and "Outdoor work survey sheet").

7. Accompanied survey

Accompanied survey may be divided into those accompanied by researcher and those accompanied by assistant researcher and delivery districts to be surveyed are designated in advance. However, in any case, the accompanied surveys are performed without hindering their delivery and collecting operations.

In cases where the letter carrier in charge carries out the dlivery or collection using a vehicle, the researcher also uses the same type of vehicle.

For example, if the carrier uses a motor cycle, researcher uses one or some other vehicle, and in some cases where delivery or collection operation is carried out by a mail van, the researcher rides in it together with the mail carrier concerned.

8. Un-accompanied survey

In un-accompanied surveys, the carrier of the district concerned, in which the survey is to be carried out, himself prepares the delivery or collection survey table and the table for number of delivery points.

Surveys for number of items, and surveys for number of delivery points are carried out with the assistance of staff concerned as far as possible.

As to outdoor works, times required are measured for those from departure to the first delivery point, from first delivery point to the last delivery point and from the last delivery point to the time of returning to the office, and no delivery time required for each house is measured.

9. Calculation of representative working time

In this survey, various data are obtained, through the survey sheets ODFORMs 1, 2, 3 and 4, regarding the working time for letter carriers engaged in indoor working operations (e.g. delivery sorting etc.), outdoor operations such as delivery, travelling, etc., and number of items delivered, number of households to receive delivery.

From these survey results, the time required for delivery per item by type of service may be calculated using the following "ODFORMs" from 5 to 7.

10. Computation method of equivalent coefficient

In order to compute a national coefficient, in respect of the representative efficiency (time) required for delivery per item by type of service calculated for each sampled office using ODFORMs from 5 to 7, it is necessary to conduct a computation in the same manner as the indoor coefficient survey. Accordingly, please refer to the explanation of item 7 "Computation method for indoor equivalent coefficient" of I [1] 1. Outline of Coefficient Survey for Indoor Postal Operation.