



# Postal Payment Services Operational Guide

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## 1 Preamble

The Postal Payment Services Operational Guide (PPS Operational Guide) was developed with two main aims:

- to help designated operators (DOs) that do not have postal payment services (PPS);
- to help improve the organizational and operational aspects of PPS provided by DOs needing to further develop their services.

However, the purpose of this PPS Operational Guide is not to cover every possible variation of PPS implementation.

The PPS Operational Guide is:

- a guide to support the creation of PPS and help DOs initiate PPS business/services (flows, procedures);
- an interactive document that must be updated regularly (taking into account market changes, organizational changes, IT, etc. => review of procedures);
- a reference document to help DOs improve/professionalize their PPS operations;
- a tool enabling DOs to audit their existing processes.

The main objectives of the PPS Operational Guide are to provide answers to key questions, such as:

- Who is to be involved?
- What needs to be done?
- Where should DOs intervene?
- When should the service be implemented?
- How should DOs proceed?
- Why is the service needed?
- How much needs to be done to achieve the objective?

The PPS Operational Guide is there to:

- Professionalize PPS players;
- Help DOs achieve total quality.

The PPS Operational Guide is addressed to all entities involved in PPS:

- Management (for decision making and PPS performance measurement);
- Project managers;
- Marketing teams;
- Network managers (post office network);
- Accounts departments;
- IT teams (information technology and communications) and resource departments;
- Operations departments;
- Auditors.

### *1.1 Postal Payment Services project*

Prior to embarking on any PPS project, DOs should make sure that their government has signed the Postal Payment Services Agreement (PPSA), the Universal Postal Union (UPU) international agreement regulating PPS.

It is recommended that DOs establish a project plan prior to developing or enhancing their PPS. For successful implementation of PPS, the project plan should cover the following:

- definition of objectives and timeframe;
- creation of a multidisciplinary project team;
- market research;
- identification of the PPS legal framework;
- identification of the required financial and human resources;
- establishment of operations, accounting and IT infrastructures;
- identification of potential partners and preparation of bilateral and multilateral agreements;
- staff training;
- marketing and communication.

The requirements for the above actions are described in more detail throughout this manual.

### *1.2 Management decision and support*

As is the case for any project, a clear management decision and senior management support (Director General or CEO) are essential to the PPS project. In some cases, the support of national regulatory bodies or other governmental institutions supervising and regulating PPS may also be necessary.

The decision should also be supported by preliminary market research to identify the target customers, competition and potential project risks, as well as the financial and human resources needed.

### *1.3 Human and financial resources*

The human resources allocated to the PPS project should be cross-cutting within the organization and, depending on the organization's structure, should encompass the following: marketing, operations, accounting, human resources, legal affairs, the post office network's management, including one or more post offices, audit and security, international relations and IT. Without the creation of a multidisciplinary project team, business support for the implementation of PPS is unlikely to be secured.

The financial resources made available should be enough to cover investments in materials, marketing, IT, the network and training. The budget made available should also provide for the first years of operations until PPS revenues are sufficient for the service to be fully self-sustainable.

### *1.4 System development and creation*

When implementing PPS, an evaluation should be made regarding the system and network already in place.

For DOs without a system deployed at their central office/headquarters or throughout their post office network, PPS could be set up through a call centre, as described in chapter 5 of this guide, together with the implementation of IFS or IFS.post.

Post offices which are not yet interconnected via the DO's network, but have Internet access or GSM, could be connected through the IFS mobile POS solution, enabling their online connection to central office/headquarters.

DOs which already have some kind of automated system in place, partially or totally, should consider the possibility of connecting to IFS or STEFI. In this case, an IT project should be developed for the full integration of IFS/STEFI with their existing system or systems (accounting system, front-office system, back-office system, etc.).

#### *1.5 Signing of bilateral/multilateral agreements*

Following the market survey and commitment to the PPS project, preparations for the signature of bilateral or multilateral agreements should start.

Participation in the UPU model service agreement (bilateral agreement) or the PTG PPS multilateral agreement should allow negotiations with potential international partners to start immediately.

The timely start of those negotiations is of utmost importance in order to start offering PPS to several countries, facilitate training and marketing campaigns, and increase transaction volumes and revenues from day one.

The readiness of the agreements will also facilitate the tests prior to offering PPS to the public.

#### *1.6 Development of procedures*

All PPS procedures should be described in detail in manuals for each of the organization's areas/departments involved in the service offered: front office, back office, middle office, accounting and settlements, audit, IT, etc.

The information collected and provided in this manual can be used as a basis for developing the aforementioned manuals.

#### *1.7 Training plans*

The postal staff involved should be trained prior to the launch of PPS, and training materials should be continuously updated for ongoing staff training once the service has been launched.

Training plans should be established with regard to:

- procedures, systems used and PPS conditions, customer relations and tariffs;
- back-office procedures, daily accounting and reporting;
- middle-office procedures, settlements and interaction with post offices;
- IT configuration and maintenance, as well as IT contingency;
- other contingencies;
- anti-money laundering and know-your-customer procedures;
- PPS auditing.

The information collected and provided in this manual can be used as a basis for developing the aforementioned manuals.

#### *1.8 Documentation reference*

- Postal Payment Services Agreement 2016 and its Regulations;
- PPS quality of service standards;
- GUIDE MEI – FR – October 2009;
- IFS 4.15 hardware and software requirements;



- IFS 4.15 installation guide;
- IFS 4.17 security handbook;
- PCI-DSS security standard.

## 2 Marketing

The marketing activities hereinafter described should be based on market research or surveys, especially when a DO is launching postal payment services. Market research is a continuous effort to better understand customer expectations and anticipate market trends regarding international and domestic payments, all with a view to offering quality and competitive postal payment services (PPS).

### 2.1 Market research

Market research should encompass international and domestic information, including:

- Other money transfer services:
  - providers offering money transfers in the country (competition), including their respective market shares;
  - geographical coverage in the country (region, cities, rural areas, etc.);
  - characteristics of the services offered;
  - means used for the money transfers (agents, mobile solutions, etc.);
  - pricing;
  - etc.

This study should be supplemented with a SWOT analysis.

- Immigrants living and working in the country:
  - provenance (from which countries or regions);
  - representativeness (number of people by nationality);
  - locations (where they work or live);
  - main activities;
  - money transfer services used;
  - etc.
- Emigrants living and working abroad:
  - destination (in which countries they live);
  - representativeness (number of emigrants working and living in each country);
  - locations (where they work or live);
  - main activities;
  - money transfer services used;
  - etc.
- Citizens' recognition of the Post as a postal services provider (reliable, secure, trusted, modern, old-fashioned, etc.).
- Service expectations:
  - speed;
  - pricing;
  - coverage;
  - services to be provided (cash transactions, account-based transactions, cards, etc.);

- distribution channels (physical network, website, mobile, etc.);
- others.

## 2.2 Products and services (the offer, partnership relations/agreements)

Once the market research has been carried out, a choice of the possible postal payment services to be offered is to be made from the existing products defined in the Postal Payment Services Agreement:

- Money order in cash: the sender hands over funds at the service access point of the DO and asks for the full amount to be paid to the payee in cash, with no deductions. Quality standards: D+2 – normal money order; D+1 – express money order.
- Outpayment money order: the sender gives instructions for his account held by the DO to be debited and asks for the payee to be paid the full amount in cash, with no deductions. Quality standards: D+2 – normal money order; D+1 – express money order.
- Inpayment money order: the sender hands over funds at the service access point of the DO and asks for them to be paid into the payee's account, with no deductions. Quality standards: D+2 – normal money order; D+1 – express money order.
- Postal transfer: the sender gives instructions for his account held by the DO to be debited and asks for the payee's account with the paying DO to be credited with the equivalent amount, with no deductions. Quality standards: D+2 – normal money order; D+1 – express money order.
- COD money order: the recipient of the COD item hands over funds at the service access point of the DO or gives instructions for his account to be debited, and asks that the full amount specified by the sender of the COD item be paid to the latter, without any deductions.
- Urgent money order: the sender hands over the postal payment order at the service access point of the DO and asks that it be transferred within 30 minutes (as of the issue of the money order) and paid in full to the payee, with no deductions, at the payee's first request, at any service access point of the country of destination (in accordance with the list of service access points of the country of destination).

This choice depends largely on the products and services that the Post is able to offer: Is it possible to offer accounts to customers, or just cash-to-cash transactions? Is it possible to offer the service to individual customers only or also to legal persons? Is the solution offered to be handled manually or electronically? Defining the services independently of the range of services the Post is able to offer is of great importance. Why offer slow, three- (or more) day money orders in cash if customers are only interested in immediate payment solutions and urgent money orders?

The positioning of the PPS offered also needs to be clearly defined, depending on customers' expectations, competition, services provided, additional services, speed (urgent or normal), etc. These parameters will influence PPS tariffs as well as promotional activities.

Depending on the PPS offering and the countries to be accessed, agreements for the exchange of PPS with other international partners are to be prepared. For bilateral agreements, the UPU model service agreement (bilateral agreement) could be used or adapted.

The PPS multilateral agreement, managed by the Postransfer Group (PTG), could also be used to reach as many potential partners as possible with one signature.

Following the preparation or adaptation of the PPS agreement to the Post's needs, negotiations with potential partners should be started. It may be of help to consult the PPS e-Compendium, as it contains the DO's partners/contacts as well as the products and conditions of the services provided.

### 2.3 *General conditions of the products and services offered*

General conditions of the products and services offered are to be created on the basis of the Postal Payment Services Agreement (PPSA) and its Regulations and defined products and services. The general conditions of the services offered should include all aspects of the service, guarantees and liabilities.

The general conditions should be part of the forms provided to customers for the provision of the service. When the services are provided in a dematerialized way, for example on the Post's website or by mobile, the customer should be required to acknowledge the general conditions provided electronically.

### 2.4 *Payment services accessibility plan*

One of the most important aspects to be looked after for the provision of PPS is the customer's access to the services provided. It might not be feasible to offer PPS at all existing post offices for technical, logistical or other reasons. In that case, based on the market research, the post offices to be selected should provide access to quality PPS to as many potential customers as possible.

If PPS are to be offered via Internet or mobile platforms, secure accessibility should be ensured.

A plan of opening the services to the different access points, post offices, agents or platforms should be established, often by starting with the main offices in the capital and regions.

### 2.5 *Forms*

Forms containing all the necessary information for the provision of the service should be prepared well in advance. For the creation of customer forms, please refer to Annex 14.1.

### 2.6 *Tariffs*

As described in paragraph 2.2 above, the tariffs to be charged to customers are directly linked with the earlier positioning of the PPS offered.

They depend largely on customers' expectations, competition, services provided, additional services, speed (urgent or normal), etc.

Ongoing follow-up of the market activity and oversight is needed to be able to adapt tariffs in a timely manner, so as not to lose market share.

Tariffs should be available to customers at the post office, as well as on the Post's website and in any other place where customers have access to PPS.

### 2.7 *The collective trademark "PosTransfer"*

The UPU collective trademark for PPS, "PosTransfer", registered during the 2012–2016 cycle, is available to all DOs that are signatories to the PPSA. To use PosTransfer for PPS, the DO needs to sign a licence agreement with the UPU. This licence agreement is available through the PosTransfer Group (PTG), the UPU body in charge of the development, implementation and management of the trademark.

For more information on PosTransfer, please refer to the trademark usage guide.

### 2.8 *Definition of procedures and operational manuals*

According to the products and services selected, PPS procedures should be developed in detail for each of the organization's areas/departments intervening in the service offered:

- front office;

- back office;
- middle office;
- accounting and settlements;
- audit;
- IT;
- security;
- etc.

The information collected and provided in this manual may serve as a basis for developing the aforementioned manuals.

In addition to the formal regulation procedures and instructions, it is recommended to elaborate support materials/manuals for each intervening group. It is recommended to keep a separate manual for each type of intervention: one manual for clerks, another for back-office staff, etc. It should be borne in mind that postal staff do not necessarily need to be familiar with the whole operational chain. It is preferable to have short manuals containing the information needed to perform each task, as this will enhance productivity and will reduce security risks.

### 2.9 Training

The development of training materials and manuals is one of the main tasks of human resources, in close collaboration with operations, accounting, audit and IT departments. Training centres should include the equipment for providing the service and access to a test environment for effective training of the staff involved in the provision of PPS.

The training materials and setup should be continuously updated, including after the launch of PPS.

### 2.10 Promotional material and communication

Marketing and advertisement materials should be prepared for promoting PPS to potential customers.

The promotional material developed by the PTG may serve as a basis for the domestic promotion of PPS, under PosTransfer.

As is the case for all the other points described in this chapter, the promotional material, as well as its communication strategy, should be based on the market research.

The marketing department should also consider the financial resources available in order to select the most effective communication channels, such as television, radio, newspapers, brochures, leaflets, etc.

Close collaboration with partner DOs should also be taken into consideration as common materials could be developed and used in order to better promote and develop bilateral corridors, enabling a significant cost reduction and maximum effectiveness.

### 2.11 Internal marketing

It should always be borne in mind that the Post is often one of, if not the biggest, organization in a country, with one of the highest geographical distribution and penetration rates, especially in rural areas, reaching a very significant percentage of the country's population either directly or indirectly. Therefore, internal marketing, meaning promoting PPS to all postal staff, is of great importance and mostly highly efficient. This kind of promotion should never be neglected, not only due to its reach, but also to its comparatively low cost and in that it guarantees better service knowledge to all postal staff.

Internal marketing, however, is aimed not only at persons directly involved in selling PPS, but also at all postal staff.

It encompasses various aspects, including:

- distribution of materials promoting the service;
- communication to all postal staff (through internal magazines, etc.);
- training of all involved staff;
- supply of promotional materials, in sufficient quantities, to all sales points;
- appropriate placement of PPS-related information at post offices;
- sales targets set for postal staff;
- etc.

### *2.12 External marketing*

Although internal marketing activities, as described in the previous section, are of utmost importance, external marketing activities should not be discounted.

External marketing activities should be developed for the promotion of PPS to the wider public.

It is recommended to start external marketing activities only after all internal procedures are well in place and tested. Postal staff should be well trained and have a good knowledge of the service provided.

Always keep in mind that an external marketing campaign that does not live up to the promised level of service will lead to the permanent loss of the clients using that service, and word of the Post's bad reputation will spread fast.

PPS studies have shown that external marketing activities should take into account:

- the targeted customers, their income and behaviour, their geographical distribution/presence in the country (especially if directed at migrant communities), their language knowledge (if targeting a specific migrant community, consider the migrants' language of origin), etc.
- the most appropriate marketing channels for achieving the intended objectives within the available marketing budget.

In terms of the channels to use, although television spots and newspaper announcements are the traditional channels, new channels should be considered, such as the Internet, social media and the Post's own website. These new channels have proven to be more effective and much less costly than traditional communication media.

### 3 IT infrastructure and requirements

The IT resources allocated to PPS as described in this manual should be based on the decision taken regarding:

- the PPS services offered/to be offered (market research); and
- the International Financial System (IFS) installed, or to be installed if the DO is starting electronic PPS services.

For DOs just starting to use electronic PPS, a site survey mission or audit carried out by the Postal Technology Centre (PTC) or the Regional Technical Centre (RTC) is strongly recommended in order to facilitate the choice of system to be used (STEFI, IFS.post or IFS, with or without mobile POS solutions). The decision is based both on the business requirements and the IT infrastructure of the DO.

#### 3.1 Hardware and software requirements

As is the case for any sensitive IT system, IFS and STEFI need to be installed in a closed environment with proper environmental and security conditions. Ideally, IFS should be installed in an existing on-site data centre. In any case, servers hosting IFS or STEFI require safeguards against fire, theft or other damage or tampering. This includes securing the network on which the servers reside. Lastly, operators must implement measures against illegal access and report them to the UPU.

Where a DO is to host IFS/STEFI installations, two environments are required: a test environment and a production environment. The test environment is intended for training and testing purposes, while the production environment hosts the system via which PPS are provided to the DO and its partners.

The IFS components can be installed on a one-, two- or three-server configuration, the choice of which depends on the DO's internal IT infrastructure and the IT resources available to it.

An effective backup policy or disaster recovery procedure must be put into place in order to safeguard against loss of financial and customer data. It is for this reason that the use of virtual machines is recommended.

Further details on hardware requirements, the IFS components to install and the required operating system and third party software (database software) are provided in <IFS 4.15 Hardware and Software Requirements> and <IFS 4.15 Installation Guide>.

#### 3.2 IT security

Transmitting sensitive financial data in money order instructions requires effective security. Money order information transmitted via the IFS network is encrypted using an industry-standard architecture where only the intended recipient partner DO can decrypt any money order message received.

In addition to the security inherent in the IFS software, certain security measures must be put into place within the DO's operating environment to prevent unauthorized access and cases of fraud. Each DO is responsible for this aspect of security. Access to IFS must be restricted to the operational environment of postal employees. This should be carried out according to two main principles:

- the IFS system is to be accessible only from IT hardware within the postal organization;<sup>1</sup>
- access to IFS is further secured by username and password and an effective password policy.

<sup>1</sup> Except in the case where the IFS mobile application is to be used, in which case the IFS server should have a publicly accessible URL and access to the IFS web server component should be secured via IP restriction, certificates over two-way SSL, Windows authentication, a VPN client or similar solution should be used.

In further detail, IFS or STEFI should be hosted on an internal network within the postal organization and not made publicly available, ensuring that the service remains internal to the postal organization. Furthermore, each DO must effectively manage the user accounts and passwords of the postal employees to ensure that accounts and passwords are not easily guessed or divulged to third parties. An effective password policy (such as that outlined by the PCI–DSS security standard) to ensure, for example, password strength and frequent renewal, is advised.

The PTC publishes a security guide aimed at IT personnel, which contains clear instructions on how to secure access to IFS within the DO's IT infrastructure. Clear instructions to IT network engineers are provided to secure each component of the IFS software. In addition, an overview of the security and encryption inherent to IFS is provided. Please refer to <IFS 4.17 Security Handbook> for more details. The measures implemented against illegal access and fraud must be reported to the UPU.

### 3.3 *IT personnel*

Regarding IT personnel, two main roles are required:

- Network engineer; and
- IFS administrator.

IT network engineers are required to secure the network and access to IFS. They are responsible for monitoring and improving the security of the network and servers on which the IFS software is hosted.

In addition, specialization in the IFS software is required, with the necessary training being provided by PTC or RTC staff. Resources should be dedicated to IFS in the form of an IFS administrator responsible for maintaining the IFS system, performing database backups, certificate management and other low-level maintenance tasks.

Operational staff are responsible for more high-level tasks, such as managing bilateral agreements, inserting exchange rates, etc.

### 3.4 *IFS interfaces*

IFS can be seamlessly integrated within a Post's own back-office systems or third-party software thanks to the interfaces pertaining to the IFS system. Therefore, IFS can be connected to, among others, in-house accounting systems, reporting tools and banking systems (for account payments). The IFS software includes two interface types:

- Batch file import/export;
- Web services.

Furthermore, the web services allow real-time access to IFS from third-party systems enabling injection and extraction of money orders from and to IFS.



## 4 Operational units

The operational units described hereinafter are, in the view of the UPU, the areas directly involved for the delivery of high quality postal payment services to the public, to the Post's customers. These operational units also reflect the PPS structure in many Posts already offering the service.

This does not mean that other important areas, such as human resources and legal affairs, which are part of postal organizational structures, should not be involved in several stages in the development, implementation and provision of PPS.

### 4.1 The post office

The organizational structure of post offices and their support for the provision of PPS takes into account the different types of access to PPS information systems used by DOs.

In this guide, post offices are divided into two main areas: the front office and the back office as a general best practice. However, exception has to be made for small post offices operating with one or two staff, where both areas are managed by the same person.

The front office handles all activities dealing with the processes directly relating to customer contact.

The back office deals with all post office activities not dealing directly with the customer, such as the post office's daily reconciliation, the sending of transaction and activity reports to the middle office payment centre, and archiving procedures associated with PPS operations. It also handles customer inquiries and claims and provides answers to inquiries received from the middle office payment centre.

Three types of post offices are identified in this guide:

Type	Description	Equipment	Organization
A	Access to information system via the intranet or GSM (national server) or Direct access to information system	Intranet, or GSM link PC, tablet or smartphone  Internet link PC	Office is autonomous for all operations
B	Telephone via Internet or Telephone + fax (ideally)	IP telephone  IP fax (ideally)	Indirect contact with the call centre for all operations  Orders have to be processed by telephone; very accurate checking methods are required
C	Traditional telephone Telephone + fax	At least one fax machine and a telephone in the back office	In contact with the call centre for all operations  Payment transactions sent by fax

Main characteristics of post offices with direct access to information system, automated post offices:

- are equipped with work stations or mobile devices with direct access to the PPS information;
- perform operations autonomously through the PPS information system;

- send reports and copies of transactions to the middle office for reconciliation, settlement and archiving;
- should be able to operate in fall-back mode in the event of a local breakdown of equipment and/or network. In such cases, they should be able to temporarily operate as an office with no direct access through the middle office call centre.

Main characteristics of post offices without direct access to the PPS information system, manual post offices:

- routinely carry out operations via the middle office call centre;
- send reports and copies of transactions to the middle office for reconciliation, settlement and archiving.

#### 4.2 *The middle office*

The middle office handles all support activities for post offices and relations with partners. For the purposes of this guide, the middle office includes:

- the call centre; and
- the payment services centre.

As it is the case for the organization of the post office (front and back office), the middle office's call centre and payment centre can be handled by the same staff. This is the case when all post offices are directly connected and the call centre is working as a fall-back facility (contingency) providing PPS information to post offices and for the handling of exceptional transactions (return of payments, etc.).

##### 4.2.1 *The call centre*

The call centre has an operational role within the DO's PPS. It handles all transactions generated in post offices that offer the service but do not have direct access to the PPS information system, the manual post offices. Its operations cover the issue and payment of PPS, and it also provides an after-sales service, including status reports and the handling of irregularities (stop requests). If necessary, it can also work for a short period as a fall-back for automated post offices when these are unable to perform PPS due to network and/or equipment issues (in such an event, this should be part of the contingency plan).

Furthermore, the call centre can work as a helpdesk for post offices and customers.

The call centre positions are connected to the PPS information system. It should have at least two positions for DOs with low PPS transaction volumes. Peak-activity hours, or days, should be taken into account when dimensioning the call centre (staff, equipment and facilities).

As a general rule, one call centre position/person is able to handle and finalize the issue or payout of a transaction in around five to seven minutes. However, transactions sent via fax or calls from post offices are most likely to occur at the same time, especially at peak hours. Peak transactions are usual at the:

- beginning or end of the month (when migrants receive their salaries);
- beginning or end of the week (Mondays and Fridays);
- start of holidays seasons;
- opening, lunch and closing hours of post offices, as these often coincide with customers' working hours.

##### 4.2.2 *The payment services centre*

The payment services centre is responsible for the central reconciliation of post offices' PPS activities, reporting to accounting services, and treating inquiries and claims received from customers, post offices and partners.

Even though, in many cases, IT services are tasked with user management and the creation, testing and updating of bilateral agreements with other parties (opening and management of PPS corridors), those activities should be handled by the payment services centre as they are operational matters.

The payment services centre has an organizational, control and accounting role. It serves as a contact point with other countries (other DOs offering the service), produces periodical accounts via direct access to the system used (IFS, etc.), and monitors day-to-day activities (production of reports using the system).

It fulfils an organizational role by:

- identifying high-traffic offices able to justify their automation/direct connection;
- identifying cash flow needs;
- identifying numbers and types of irregularities per office;
- identifying office supply requirements on forms and promotional materials, etc.;
- monitoring money laundering, terrorist funding and financial crime activities, and reporting any suspicious activities to the competent services;
- collecting information on customers – "know your customer" activities.

It is also in charge of:

- user management;
- managing incidents of non-conformity and malfunctions;
- preparing, updating and managing user guides to ensure continuous improvement;
- creating and updating bilateral agreements on the opening and management of PPS corridors;
- testing with other parties.

It is linked to the call centre and post offices to help solve any irregularities and is responsible for paper archives (issue and payment forms, receipts, etc.).

In addition, the payment services centre is responsible for after-sales operations that are more complex than straightforward status reports or stop requests by customers:

- customer inquiries and disputes;
- discrepancies in daily activity logs at the call centre and corrective actions;
- accounting discrepancies and corrective actions.

Its positions are also connected to the PPS information system and other systems, such as the UPU PPS e-Compendium or FEIS (Financial Electronic Inquiry System) for the handling of inquiries and claims received from partners and customers.

#### 4.3 *IT services*

IT services are responsible for all PPS-related information systems. Even though IT services are often tasked with user management and the creation, testing and updating of bilateral agreements with other parties (opening and management of PPS corridors), those activities should be handled by the payment services centre as they are operational matters.

For IFS.post installations, IT services are responsible for:

- management and maintenance of the internet connectivity of locations using IFS.post, so as to enable communication with partners;
- installation and maintenance of PCs;

- preparation and maintenance of IFS.post installations;
- management of the IFS.post keys;
- distribution of the IFS.post guides;
- creation and management of the IT contingency plan;
- communication with the UPU Postal Technology Centre (PTC).

For other types of PPS systems, installations using IFS or STEFI, IT services are responsible for:

- administration of the servers where applications are installed;
- backup of systems and data;
- management and maintenance of the IT network, the local area network (LAN), so as to enable communications between the different positions handling PPS services;
- management of international communication connections;
- installation and maintenance of PCs;
- installation and maintenance of PPS positions;
- creation and management of the IT contingency plan;
- communication with the PTC.

#### 4.4 *Accounting services*

The accounting services work in close collaboration with post offices and the middle office, both of which report PPS financial activities to the accounting services, either on paper as is the case for manually operated post offices, or automatically through interfaces of the organization's accounting system with the front office, IFS, etc.

Accounting services are responsible for:

- implementation of proper accounting rules;
- ring-fencing of PPS customers' user funds;
- reconciliation of accounting reports and operational reports from post office and middle-office activities;
- settlement of PPS amounts and remunerations with partners;
- reporting on financial activities.

#### 4.5 *Marketing*

The marketing unit handles all PPS-related promotional activities, and develops and updates the PPS offered by the Post, etc.

As described earlier in this manual (see chapter 2 – Marketing), this unit is responsible for:

- PPS-related market research and studies;
- defining the Post's PPS offering;
- defining PPS tariffs;
- relations with partners and the management of agreements;
- preparing and developing PPS general conditions;
- the payment services accessibility plan;
- developing and distributing PPS forms used at post offices;

- managing the UPU collective trademark "PosTransfer" and its licence agreement with the UPU;
- managing customer care;
- preparing the PPS operational guidelines for the operational set-up of the service by the middle office (responsible for PPS central operations);
- preparing PPS training materials and training all postal staff involved (post office, middle office, etc.);
- preparing/producing PPS-related promotional material;
- PPS advertising and dissemination; and
- promoting the PPS offering to all postal staff through internal marketing activities.

#### 4.6 *Audit*

The auditing services handle all PPS-related auditing activities. They perform two main activities:

- monitoring the correct application of all procedures throughout the postal payment chain within the organization; and
- controlling the proper application of financial matters.

Auditing service reports should propose improvements based on auditing activities associated with any aspect of the postal payment services value chain. As a general practice, auditing services should report directly to management.

Auditing services are risk-oriented and are responsible for:

- risk identification and the annual risk review;
- risk measurement;
- defining indicators; and
- monitoring those indicators.

Furthermore, this unit is responsible for performing service audits, which includes:

- following up and reporting on operations, accounting, IT services, etc.;
- proposing corrective measures with respect to audit findings;
- preparing reports, at least once a year but preferably twice a year;
- following up on findings reported;
- following up on and applying any new regulatory or legislative changes.

#### 4.7 *Compliance monitoring unit*

The compliance monitoring unit is responsible for all control activities related to compliance with postal payment services. The unit's two main activities are:

- monitoring the application of money laundering, terrorist funding and financial crime prevention procedures with respect to PPS activities;
- reporting any suspicious activities to national authorities in charge of those matters.

## 5 Post offices

The post office is the first point of access and contact for customers. The impression customers get visiting the post office for any purpose (in this case to send or receive postal payments, or even to submit a claim) is generally the most important one.

Therefore, the appearance of post offices, as well as the knowledge and friendliness of the post office staff, is of paramount importance in terms of customer relations.

A post office may be a full-fledged post office that maintains its own accounting records and directly manages its staff and organization, or it may be a sub-office attached to a full-fledged office to which it reports on all its activities.

A post office may be computerized and equipped with systems enabling it to carry out transactions directly on the system, or it may be a manual office whose transactions pass through a call centre.

### 5.1 *Post office presentation and layout*

The layout of the post office customer area and front office, the postal payment services counters, should be clearly identifiable at first sight and well separated from each other. Entrance to the front office should be restricted to post office staff only.

The back-office area should be to the back of the front office.

All post offices should have good infrastructural conditions and be clean and well organized. Archives should be kept in the back office in proper conditions, such as closed filing cabinets.

#### 5.1.1 *Customer area*

The post office customer area should have:

- sufficient space for all customers to enter the post office without having to queue outside;
- signage that clearly displays the opening and closing times of the office to the public;
- a clear indication of the different services provided;
- clear signage indicating the postal payment services counter(s);
- a sufficiently sized, clean and comfortable customer waiting area, preferably with seating places;
- a place where customers can complete the necessary forms (customers familiar with the service will be able to fill in their forms easily, thus saving significant front-office operations time);
- air conditioning and/or heating in countries with extreme climates.

In addition, post offices with large numbers of customers should consider a simple manual or electronic queue management system to serve customers on a first-come, first-served basis. This will result in favourable feedback on customer waiting times during peak periods.

The post office customer area should also have comprehensive information on the postal payment services offered. That information should:

- be situated near the customer point of entry into the post office;
- be clearly identifiable;
- contain all the necessary details on:
  - the postal payment services offered (urgent, normal, etc.);
  - tariffs applicable for the different postal payment services offered;

- updated daily foreign exchange rates, at least for the main currencies;
- forms for completion by customers;
- include, if possible, postal payment services sales material;
- include signs and promotional materials on the PosTransfer brand.

#### 5.1.2 *Front office/counters*

There should be clear signage, easily identifiable by customers entering the post office, to the front office/counters dealing with postal payment services.

The front office/counters should be furnished with the necessary equipment and materials close to the counter clerk's position, to enable straightforward processing of PPS. Such equipment and materials include:

- PPS forms, PPS general conditions and sales material explaining and promoting the service to be provided to customers;
- Stamp of office and date stamp;
- For automated teller positions:
  - PC/tablet and printer or automated printing system;
  - other IT equipment necessary for the provision of PPS, depending on the different solutions chosen by the organization for this matter (card reader, barcode reader, etc.), telephone or fax for the exchange of transaction data with the call centre in the event of a connection problem with the application server and for contacts with the middle office, etc.;
- For manual teller positions: telephone or fax for sending and receiving transaction information to and from the middle-office call centre;
- Place for keeping documents until the end of day, when these documents are passed to the back office for accounting, reconciliation, etc.;
- Cash drawer or similar to keep cash in appropriate and safe conditions.

#### 5.1.3 *Sales support materials*

Sales support material describing the postal payment services offered should always be available to customers and contain:

- the main features of the postal payment services offered;
- the main advantages for customers and their needs;
- tariffs;
- general conditions for providing postal payment services.

The sales support material (leaflets, brochures, etc.) should be on display and accessible to customers:

- near the customer's point of entry into the post office; and
- at the postal payment service counters (front office).

#### 5.1.4 *PPS forms*

PPS forms should be designed with the following features:

- Information needed to carry out the postal payment transaction (see the model in the annex).

- A good layout, clearly marking:
  - the information to be provided by the customer, depending on the nature of the transaction (issuing or payment) such as:
    - For issuing:
      - country of destination;
      - amount;
      - sender's contact details (full name, address);
      - recipient's contact details (full name, address);
      - other details relating to the service concerned (landline number, mobile number, message, etc.);
      - area for the customer's signature and for any message.
    - For payment:
      - the customer transaction number (CTN);
      - country of origin;
      - amount;
      - sender's contact details (full name, address);
      - recipient's contact details (full name, address);
      - area for the type and number of the identity document and for the recipient's signature.
  - information to be collected and completed by the counter clerk, depending on the nature of the transaction (issuing or payment):
    - For issuing:
      - total amount to be paid (transaction amount and tariff applied);
      - exchange rate applied;
      - other information relating to the identification of the teller and the post office concerned (teller code, office postal code);
      - area for the counter clerk's signature and the date of the transaction.

Examples of forms are provided in Annex 13.1.

#### 5.1.5 *Transactions carried out via the call centre*

Non-computerized offices carry out all postal payment transactions via the call centre. Exceptionally, computerized offices use the call centre in the event of a system incident or system failure. Transactions are carried out by the call centre only after recognition of the identification of the office, calling agent and call number registered in the system.

There are four types of connections between offices and the call centre:

- Traditional phone → Office (A). The post office calls the call centre from the post office telephone. As the call is not secure, a counter-call is necessary. The call centre returns the call of the post office issuing the transaction and verifies the agent code of the office registered in the system. The objective of this step is to verify that the transmission procedure has been properly triggered and that the transaction corresponds to a customer order. If the telephone number of the post office does not match or if the agent code is not recognized, a check is required.



- Traditional fax → Office (B). The post office sends the fax transmission form to the call centre. Since the transmission is not secure, a counter-call is necessary. The call centre returns the call of the post office issuing the transaction. This step verifies that the fax was indeed transmitted by the post office and that the transaction corresponds to a customer order. If the telephone number of the post office is incorrect, a check is required.
- Fax via Internet → Office (C). The post office sends the fax transmission form to the call centre. Since the transmission is secure (VoIP), it does not require a call-back.
- Telephony on the Internet → Office (D). Because the call is secure (VoIP), it does not require a call-back.

## 5.2 *Front-office procedures*

### 5.2.1 *Issuing procedures*

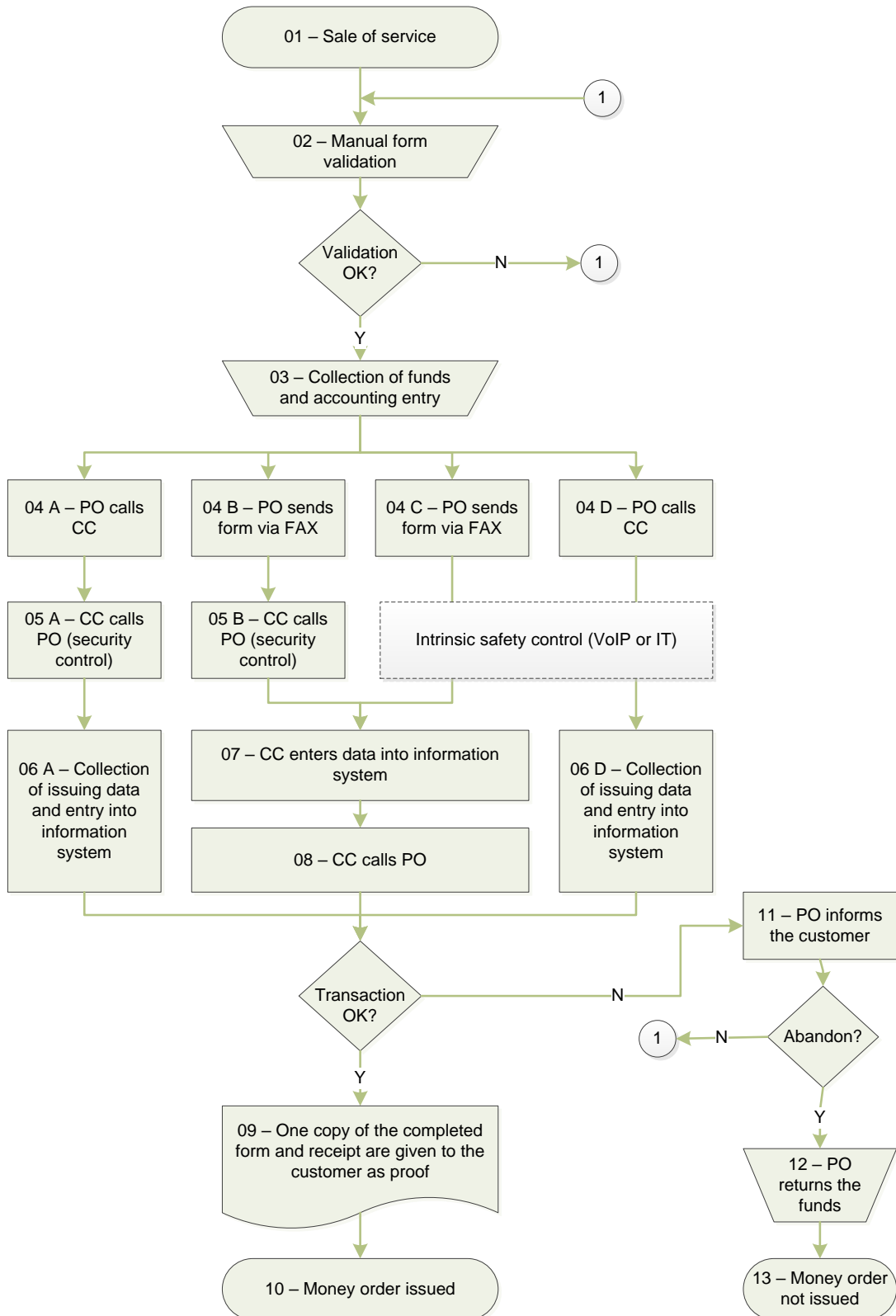
#### 5.2.1.1 Level 1 – manual post office

##### *Procedures for issuing electronic money orders in a non-computerized post office (or postal agency)*

Non-computerized post offices may proceed with operations for issuing electronic money orders via the call centre.

Diagram

PO – Post office  
 CC – Call centre



*Description of tasks*

<i>Step</i>	<i>PO type</i>	<i>Actors</i>	<i>Actions</i>
01	All	PO customer	<p><i>Sale of service and collection of information on form</i></p> <p>The clerk collects information from the customer to determine the service required and checks whether the destination is covered by the service. The clerk informs the customer of the pricing for the service.</p> <p>Assisted by the clerk if necessary, the customer completes and signs the money order issue form, generally in triplicate.</p> <p>The clerk collects the forms.</p>
02	All	PO	<p><i>Manual form validation</i></p> <p>The clerk checks the form, ensuring in particular that it is legible and correctly filled out (all essential information provided), and verifies the customer's identity.</p> <p>If the form is correct, go to step 03; if not, return to step 01.</p>
03	All	PO	<p><i>Collection of funds and accounting entry</i></p> <p>The clerk collects the amount to be transferred, plus the corresponding tariffs.</p> <p>A provisional receipt is handed to the customer, who can wait for final validation or come back later to collect the receipt.</p> <p>The transaction is recorded in the counter clerk's daily transaction book.</p>
04	A	PO CC	<p><i>Initiating entry procedure by telephone</i></p> <p>The post office calls the call centre from the appropriate extension. As the call is not secure, a call-back will be necessary (step 05A).</p>
	B	PO	<p><i>Transmission of order to the call centre by fax</i></p> <p>The post office sends the call centre the issue form by fax from the appropriate machine. As the transmission is not secure, a call-back will be necessary (step 05B).</p>
	C	PO	<p><i>Transmission of order by fax via the Internet</i></p> <p>The post office sends the issue form to the call centre by fax. As the transmission is secure (VoIP), a call-back is not necessary and the procedure can resume at step 08.</p>
	D	PO CC	<p><i>Initiating entry procedure by telephone via the Internet</i></p> <p>The post office calls the call centre. As the call is secure (VoIP), the procedure can resume with step 06D.</p>
05	A	CC PO	<p><i>Security call-back followed by checking of information</i></p> <p>The call centre calls back the issuing post office using the authorized number, and verifies the agent code of the registered office in the system. The purpose of this step is to verify that the issuing process has been properly initiated and that the transaction corresponds to a customer order.</p> <p>If the post office telephone number is not the authorized number or if the agent code is not recognized, a check will be necessary.</p> <p>This step is followed by step 06A (checking of information).</p>

<i>Step</i>	<i>PO type</i>	<i>Actors</i>	<i>Actions</i>
05	B	CC PO	<p><i>Security call-back</i></p> <p>The call centre calls back the issuing post office, using the authorized number. The purpose of this step is to verify that the fax has been properly transmitted by the post office and that the transaction corresponds to a customer order.</p> <p><b>N.B. –</b> If the post office telephone number is not the authorized number, a check will be necessary.</p> <p>Proceed to step 07.</p>
06	A D	CC PO	<p><i>Checking of issuing data and entry into information system</i></p> <p>The call centre operator collects all the data needed to issue the money order from the clerk by telephone, entering it in the system at the same time.</p> <p>The system automatically carries out a detailed check during validation, which could lead to a rejection (mandatory value missing, maximum amount exceeded, etc.).</p> <p>The call centre registers the transaction in its daily activity sheet.</p> <p>If the transaction has been entered correctly, the call centre communicates the international transaction number to the post office, and the procedure continues with step 09; if not, see step 11.</p>
07	B C	CC	<p><i>Entry of transaction in system</i></p> <p>The call centre operator enters the transaction in the system on the basis of the fax received.</p> <p>The system automatically carries out a detailed check during validation, which could lead to a rejection (mandatory value missing, maximum amount exceeded, etc.).</p> <p>The call centre registers the transaction in its daily activity sheet.</p>
08	B C	CC PO	<p><i>Confirmation or rejection of issue transaction at PO</i></p> <p>The call centre operator calls back the post office in order to confirm the transaction and provide the international transaction number if the transaction entry is accepted; in this case, the procedure continues with step 09; if not, see step 11.</p>
09	All	PO Customer	<p><i>Confirmation of transaction to the customer</i></p> <p>The post office confirms the issue transaction to the customer. It provides, as proof, a receipt and a copy of the issue form on which it has indicated the international transaction number, as well as the CTN.</p>
10	All	PO	<p><i>Money order is issued</i></p> <p>The post office must send a copy of the form to the middle office. The issuing procedure carried out by the post office of origin has been completed.</p>

<i>Step</i>	<i>PO type</i>	<i>Actors</i>	<i>Actions</i>
11	All	PO Customer	<p><i>Customer notified of non-acceptance</i></p> <p>The post office informs the customer that the money order cannot be issued and explains why. Depending on the reason, the customer may decide to:</p> <ul style="list-style-type: none"> <li>– complete a new form or provide additional information; in this case, the entire procedure will have to start from the beginning (step 01);</li> <li>or</li> <li>– abandon the transaction; in this case, the procedure continues with step 12.</li> </ul>
12	All	PO Customer	<p><i>Abandoning the transaction</i></p> <p>The post office returns the funds collected in step 03 to the customer, ensuring that this fact is noted in the office's account book.</p> <p>The transaction with the customer is terminated and the procedure ends with step 13.</p>
13	All	PO	<p><i>Money order not issued</i></p> <p>The word "Cancelled" is written on the three copies of the form, which are then sent to the national money order centre.</p>

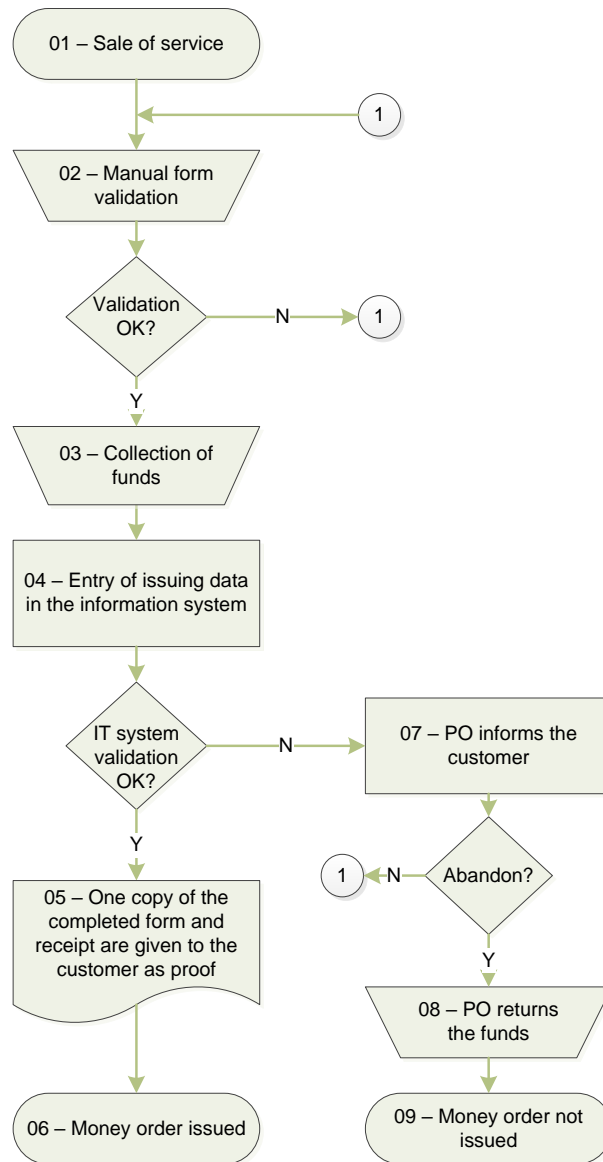
#### 5.2.1.2 Level 2 – automated post office

The diagram shows the procedure to be followed for issuing a money order from an automated post office (or postal agency).

*Procedures for issuing electronic money orders at an automated post office (or postal agency)*

*Diagram*

*PO – Post office*



*Description of tasks*

Step	Actors	Actions
01	PO Customer	<p><i>Sale of service and collection of information on form</i></p> <p>The clerk collects information from the customer to determine the service required and checks whether the destination is covered by the service. The clerk informs the customer of the pricing for the service.</p> <p>Assisted by the clerk if necessary, the customer completes and signs the money order issue form, generally in triplicate.</p> <p>The clerk collects the form.</p>

<i>Step</i>	<i>Actors</i>	<i>Actions</i>
02	PO	<p><i>Manual form validation</i></p> <p>The clerk checks the form, ensuring in particular that it is legible and correctly filled out (all essential information has been provided, it is an issuing, and the operation has not yet been executed), and verifies the customer's identity.</p> <p>If the form is correct, go to step 03; if not, return to step 01.</p>
03	PO	<p><i>Collection of funds</i></p> <p>The clerk collects the amount to be transferred, plus the corresponding charges.</p>
04	PO	<p><i>Direct entry of transaction in the information system</i></p> <p>The clerk enters the transaction in the information system. The system automatically carries out a detailed check during validation, which could lead to a rejection (mandatory value missing, maximum amount exceeded, etc.).</p> <p>If the transaction has been entered correctly, see step 05; if not, proceed to step 07.</p>
05	PO Customer	<p><i>Confirmation of transaction to the customer</i></p> <p>The clerk confirms the transaction to the customer. He provides, as proof, a receipt and a copy of the issue form on which he has indicated the international transaction number, as well as the CTN.</p> <p>The transaction with the customer is completed and the procedure ends with step 06 and with the registration of the transaction in the system.</p>
06	PO	<p><i>Money order is issued</i></p> <p>The post office archives a copy of the form and registers the transaction in its accounting book.</p> <p>The issuing procedure carried out by the Post of origin has been completed.</p>
07	PO Customer	<p><i>Customer notified of non-acceptance</i></p> <p>The clerk informs the customer that the money order cannot be issued and explains why. Depending on the reason, the customer may decide to:</p> <ul style="list-style-type: none"> <li>– complete a new form or provide additional information; in this case, the entire procedure will have to start from the beginning (step 01);</li> <li>or</li> <li>– abandon the transaction; in this case, the procedure continues with step 08.</li> </ul>
08	PO Customer	<p><i>Abandoning the transaction</i></p> <p>The clerk returns the funds collected in step 03 to the customer. For a computerized post office, the accounting record of the operation is carried out only after validation of the transaction in the system.</p> <p>The transaction with the customer is terminated and the procedure ends with step 09.</p>
09	PO	<p><i>Money order not issued</i></p> <p>The word "Cancelled" is written on the three copies of the form and the post office archives them.</p>

5.2.2 Pay-out procedures

5.2.2.1 Level 1 – manual post office

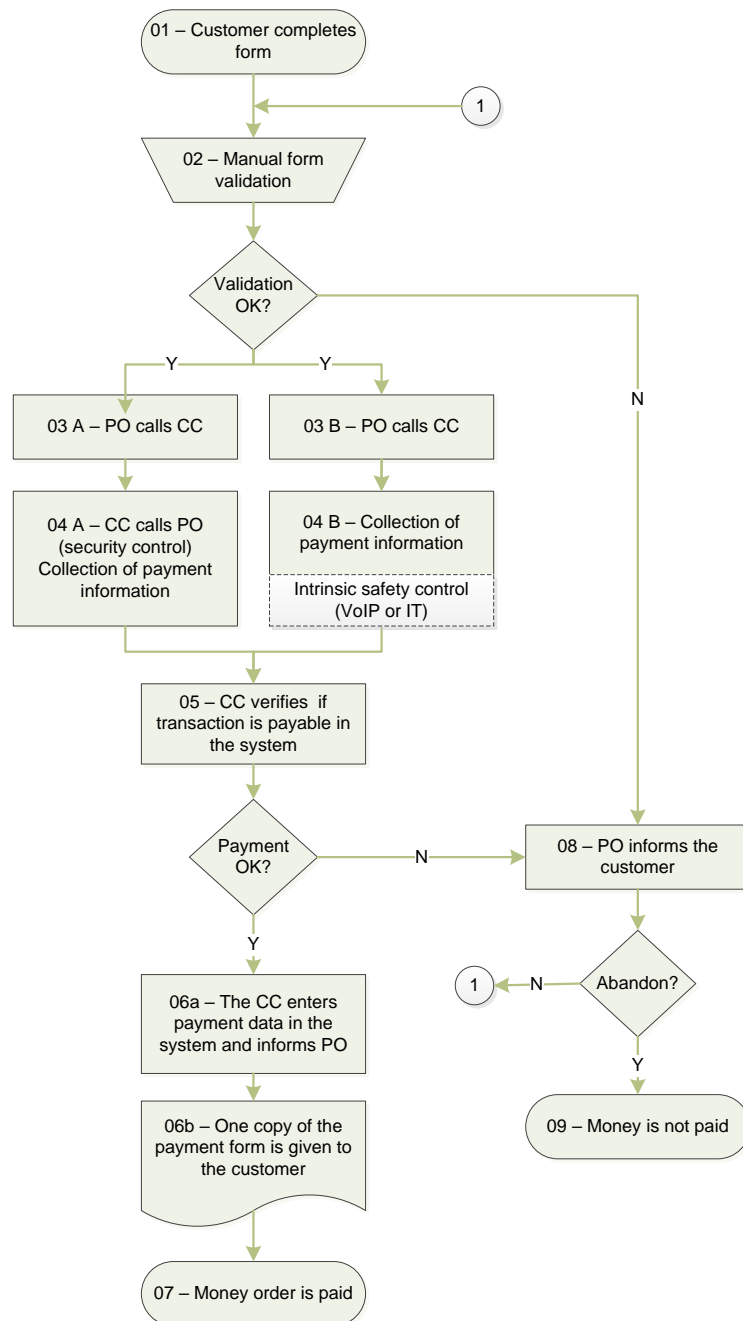
The diagram shows the procedure to be followed for payment of a money order at a non-automated post office (or postal agency).

In the case of a payment transaction, only the telephone is used, therefore two types of office are involved:

- Traditional telephone (non-secure) → office (A);
- Telephone via Internet (secure) → office (B).

Diagram

PO – Post office  
 CC – Call centre





*Description of tasks*

<i>Steps</i>	<i>PO type</i>	<i>Actors</i>	<i>Actions</i>
01	All	PO Customer	<i>Receipt of form</i> The customer completes the payment form in duplicate, indicating the CTN, and provides proof of identity. The clerk collects the form.
02	All	PO	<i>Manual checking of form</i> The clerk checks the form, ensuring in particular that it is legible and correctly filled out (all essential information provided).
03	A	PO CC	<i>Initiating procedure for calling the call centre</i> The post office calls the call centre and indicates the request for payment. The procedure continues with step 04A.
	B	PO CC	<i>Initiating entry procedure by telephone via the Internet</i> The post office calls the call centre. As the call is secure (VoIP), the procedure can resume with step 04B.
04	A	CC PO	<i>Security call-back followed by checking of information</i> The call centre calls back the paying post office. This step makes it possible to verify that payment has, in fact, been requested by the post office. The call centre collects by telephone all the data needed to locate the money order to be paid. The procedure continues with step 05.
	B	CC PO	<i>Checking of payment data</i> The call centre collects by telephone all the data needed to locate the money order to be paid. The procedure continues with step 05.
05	All	CC	<i>Verification of payment order in the system</i> The call centre verifies that the data transmitted can justify payment. If the information is correct and the money order is payable, see step 06; if not, see step 08. The call centre registers the transaction in its daily activity sheet.
06	All	PO Customer	<i>Confirmation of transaction to the customer</i> The post office executes the payment. It provides a copy of the payment form as proof, and has the payee sign the copy to be kept by the post office, which will serve as a receipt and proof of payment by the customer.
07	All		<i>Money order is paid</i> The post office makes a note in its account book. In its own records, the call centre notes the time of the call, the money order number and the amount.

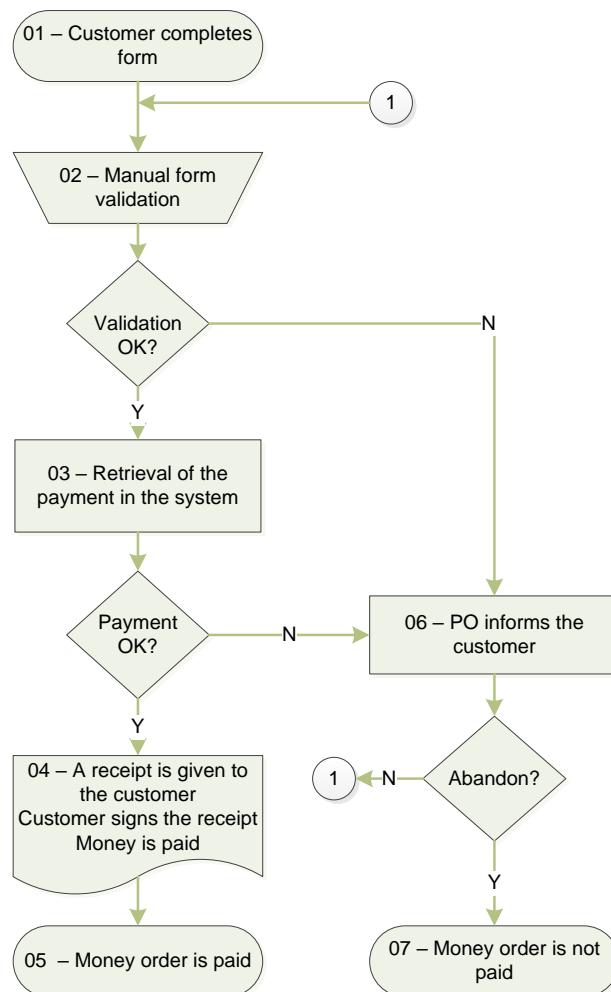
Steps	PO type	Actors	Actions
08	All	PO Customer	<p><i>Customer notified of non-acceptance</i></p> <p>The post office informs the customer that payment cannot be made and gives the reason. Depending on the reason, the customer may decide to:</p> <ul style="list-style-type: none"> <li>– complete a new form or provide additional information; in this case, the entire procedure will have to start from the beginning (step 01);</li> <li>or</li> <li>– abandon the transaction; in this case, the procedure ends with step 09.</li> <li>–</li> </ul>
09	All	CC	<p><i>Money order is not paid</i></p> <p>The call centre records the payment attempt.</p>

5.2.2.2 Level 2 – automated post office

The diagram shows the procedure to be followed for payment of a money order at an automated post office (or postal agency).

Diagram

PO – Post office



*Description of tasks*

<i>Step</i>	<i>Actors</i>	<i>Actions</i>
01	PO Customer	<i>Receipt of form</i> The customer completes the payment form, generally in duplicate, indicating the CTN, and provides proof of identity. The clerk collects the form.
02	PO	<i>Manual checking of form</i> The clerk checks the form, ensuring in particular that it is legible and correctly filled out (all essential information provided).
03	PO	<i>Entry of transaction in system</i> The post office checks whether the transaction is payable in the system and that the identity is correct. If the information is correct, go to step 04; if not, see step 06.
04	PO Customer	<i>Confirmation of transaction to the customer</i> The post office executes the payment. It provides a receipt and a copy of the payment form as proof, and has the payee sign the copy to be kept by the post office. The transaction with the customer is completed and the procedure ends with step 05 and with the registration of the transaction in the system.
05	PO	<i>Money order is paid</i> The post office archives a copy of the form and registers the transaction in its accounting book. The payment procedure carried out by the Post of origin has been completed.
06	PO Customer	<i>Customer notified of non-acceptance</i> The post office informs the customer that payment cannot be made and gives the reason. Depending on the reason, the customer may decide to: – complete a new form or provide additional information; in this case, the entire procedure will have to start from the beginning (step 01); or – abandon the transaction; in this case, the procedure ends with step 07.
07	PO	<i>Money order is not paid</i>

**5.2.3** *Requests for information***5.2.3.1** Level 1 – manual post office

The diagram shows the procedure to be followed for requests for information about a money order at a non-automated post office (or postal agency).

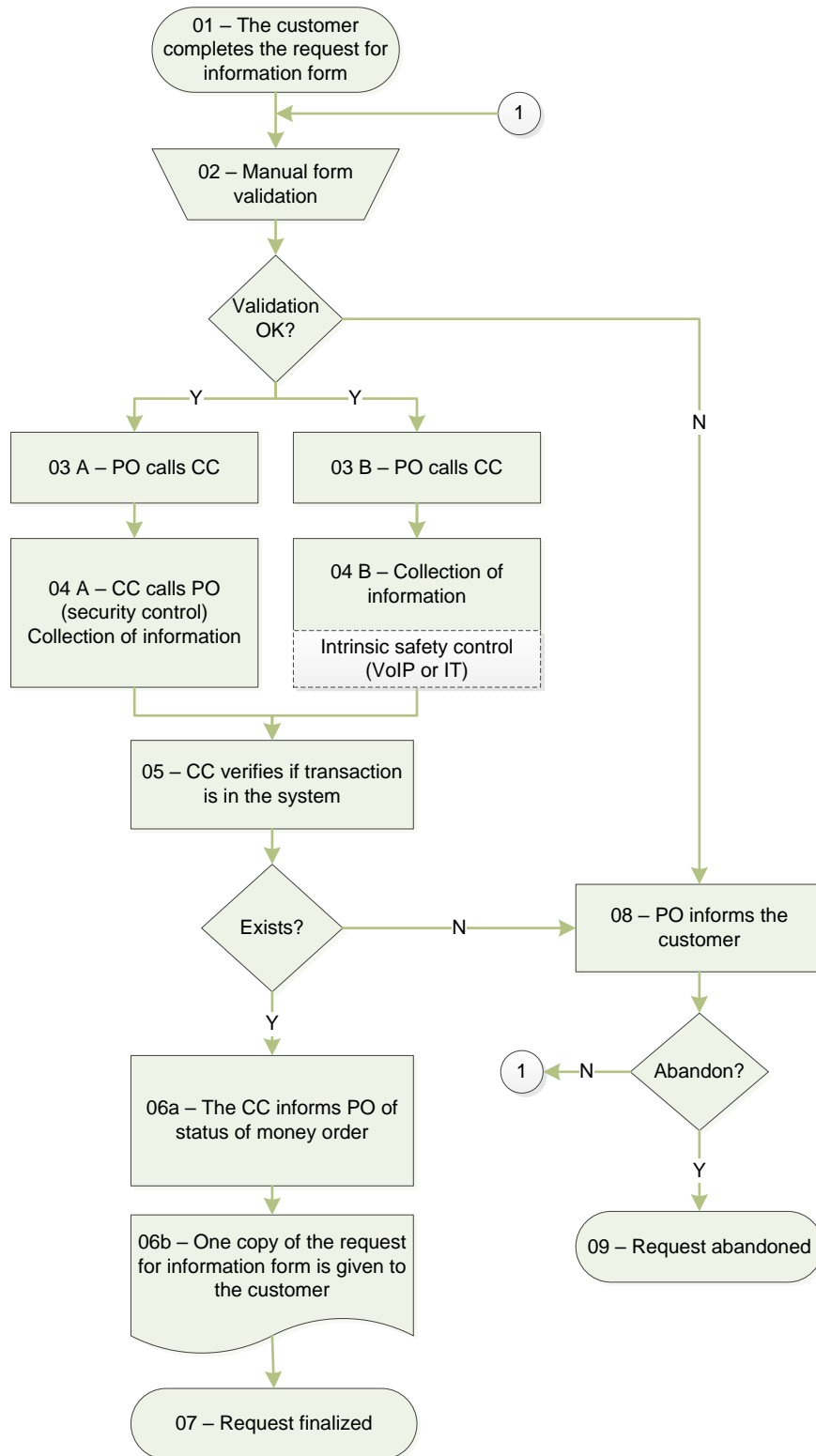
In the case of a request for information, only the telephone is used, therefore involving two types of office:

- Traditional telephone (non-secure) → office (A);
- Telephone via Internet (secure) → office (B).

Diagram

PO – Post office

CC – Call centre



*Description of tasks*

<i>Steps</i>	<i>PO type</i>	<i>Actors</i>	<i>Actions</i>
01	All	PO Customer	<p><i>Receipt of form</i></p> <p>The customer completes the request for information form in duplicate and provides proof of identity along with the money order receipt.</p> <p>If the customer does not provide the money order receipt, particular attention is paid to his identity.</p> <p>The clerk collects the form.</p>
02	All	PO	<p><i>Manual checking of form</i></p> <p>The clerk checks the form, ensuring in particular that it is legible and correctly filled out (all essential information provided).</p> <p>The procedure continues with step 03.</p>
03	A	PO CC	<p><i>Initiating procedure for calling the call centre.</i></p> <p>The post office calls the call centre and informs it of the request for information.</p>
	B	PO CC	<p><i>Initiating entry procedure by telephone via the Internet</i></p> <p>The post office calls the call centre. As the call is secure (VoIP), the procedure can continue with step 04B.</p>
04	A	CC PO	<p><i>Security call-back followed by checking of information</i></p> <p>The call centre operator calls back the requesting post office. This step makes it possible to verify that the request is, in fact, from an authorized post office.</p> <p>The call centre operator collects by telephone all of the data needed to locate the money order.</p> <p>The procedure continues with step 05.</p>
	B	CC PO	<p><i>Checking of reimbursement data</i></p> <p>The call centre operator collects by telephone all the information needed to locate the money order.</p> <p>The procedure continues with step 05.</p>
05	A	CC	<p><i>Verification of money order in the system</i></p>
	B		<p>The call centre operator searches for the money order in the system.</p> <p>If the money order is retrieved, see step 06; if not, see step 08.</p>
06	All	PO Customer	<p><i>Information to the customer</i></p> <p>The post office informs the customer of the status of the money order.</p> <p>In case the customer wishes to have more information, then the clerk:</p> <ul style="list-style-type: none"> <li>– Informs the customer that the request has to be sent to the main office and confirms the address where the final answer can be addressed to and the reason;</li> <li>– Forwards the request for further investigation to the call centre.</li> </ul> <p>The post office provides a copy of the request for information form as proof and has the customer sign the copy that the post office will keep.</p>

<i>Steps</i>	<i>PO type</i>	<i>Actors</i>	<i>Actions</i>
07	All	CC	<i>Request finalized</i> In its own records, the call centre operator notes the time of the call.
08	All	PO Customer	<i>Customer notified of non-acceptance</i> The post office informs the customer that the money order cannot be retrieved and gives the reason. Depending on the reason, the customer may decide to: – complete a new form or provide additional information; in this case, the entire procedure will have to start from the beginning (step 01); or – abandon the request; in this case, the procedure ends with step 09.
09	All	CC	<i>Request abandoned</i> The call centre notes the request for information attempt in its own records.

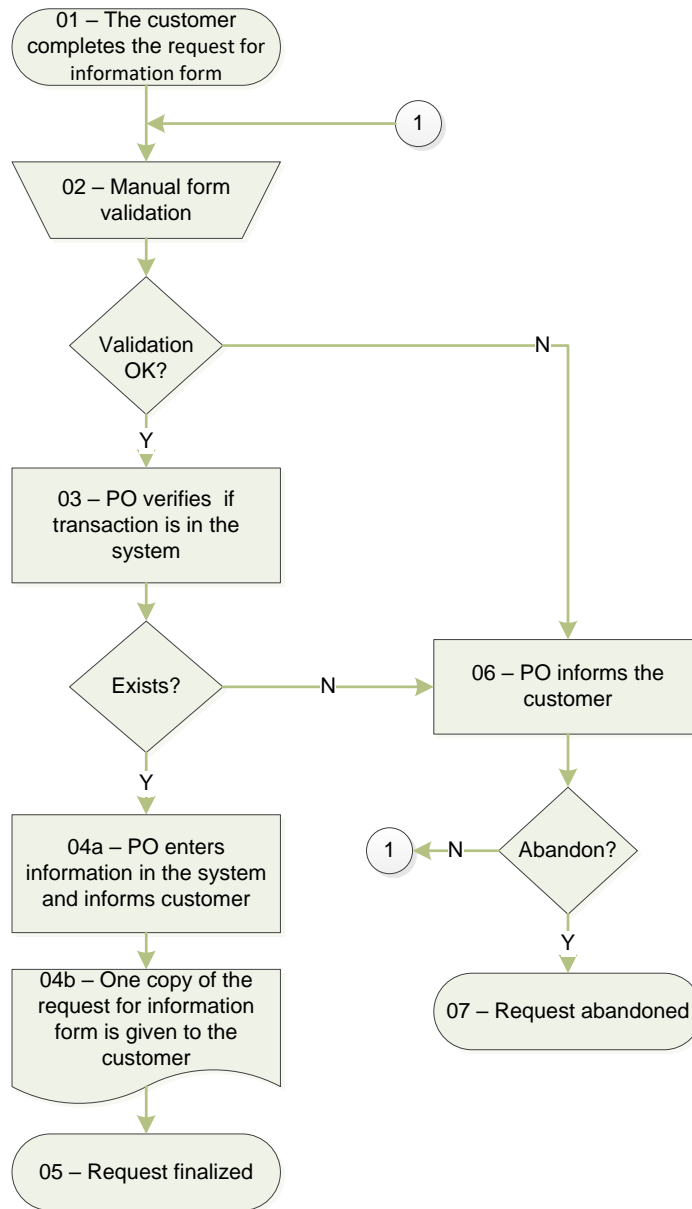
#### 5.2.3.2 Level 2 – automated post office

*Procedures for requests for information in respect of electronic money orders at an automated post office (or postal agency)*

This procedure is only applicable to post offices with authorization to provide this service directly (management decision). If not, the manual procedure described under section 5.2.3.1 (Level 1 – manual post office) is to be applied.

Diagram

PO – Post office



Description of tasks

Steps	Actors	Actions
01	PO Customer	<p><i>Receipt of the form</i></p> <p>The customer completes the request for information form in duplicate and provides proof of identity along with the money order receipt.</p> <p>If the customer does not provide the money order receipt, particular attention is paid to his identity.</p> <p>The clerk collects the form.</p>

<i>Steps</i>	<i>Actors</i>	<i>Actions</i>
02	PO	<p><i>Manual checking of form</i></p> <p>The clerk checks the form, ensuring in particular that it is legible and correctly filled out (all essential information provided).</p> <p>The procedure continues with step 03.</p>
03	PO	<p><i>Verification of money order in the system</i></p> <p>The post office clerk searches for the money order in the system.</p> <p>If the money order is retrieved, see step 04; if not, see step 06.</p>
04	PO Customer	<p><i>Information to the customer</i></p> <p>The post office informs the customer of the status of the money order.</p> <p>In case the customer wishes to have more information, then the clerk:</p> <ul style="list-style-type: none"> <li>– Informs the customer that the request has to be sent to the main office and confirms the address where the final answer can be addressed to and the reason;</li> <li>– Forwards the request for further investigation to the call centre.</li> </ul>
05	CC	<p><i>Request finalized</i></p> <p>The post office clerk provides a copy of the request for information form as proof and has the customer sign the copy that the post office will keep.</p>
06	PO Customer	<p><i>Customer notified of non-acceptance</i></p> <p>The post office informs the customer that the money order cannot be retrieved and gives the reason. Depending on the reason, the customer may decide to:</p> <ul style="list-style-type: none"> <li>– complete a new form or provide additional information; in this case, the entire procedure will have to start from the beginning (step 01);</li> <li>or</li> <li>– abandon the request; in this case, the procedure ends with step 07.</li> </ul>
07	PO	<p><i>Request abandoned</i></p> <p>The post office clerk marks the request for information form as abandoned for archiving.</p>

#### 5.2.4 Reimbursement

##### 5.2.4.1 Level 1 – manual post office

The diagram shows the procedure to be followed for reimbursement of a money order at a non-automated post office (or postal agency).

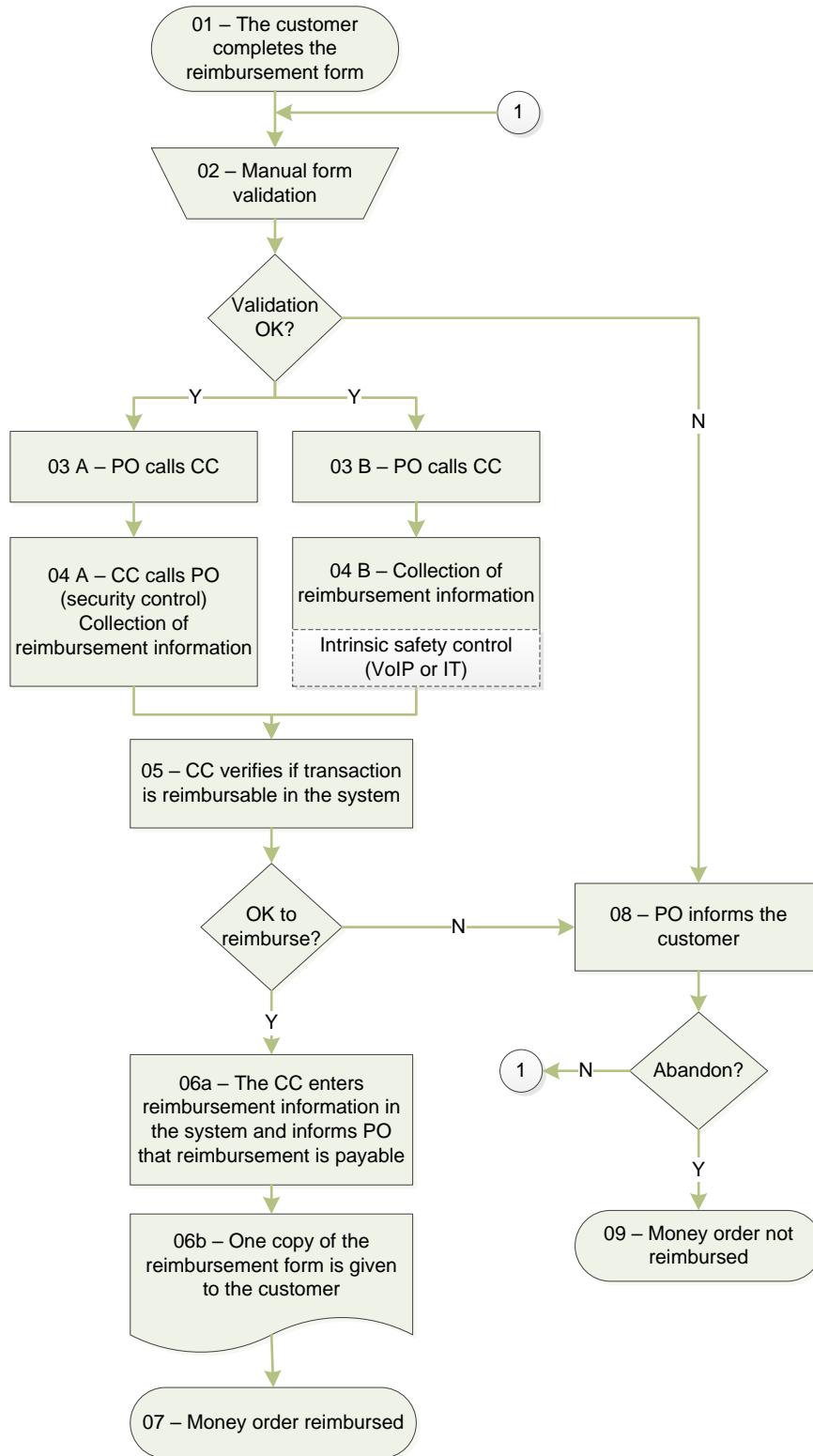
In the case of a reimbursement transaction, only the telephone is used, therefore involving two types of office:

- Traditional telephone (non-secure) → office (A);
- Telephone via Internet (secure) → office (B).



Diagram

PO – Post office  
 CC – Call centre



*Description of tasks*

<i>Steps</i>	<i>PO type</i>	<i>Actors</i>	<i>Actions</i>
01	All	PO Customer	<p><i>Receipt of form</i></p> <p>The customer completes the reimbursement form in duplicate and provides proof of identity and one of the following documents:</p> <ul style="list-style-type: none"> <li>– notification of reimbursement;</li> <li>– request form for stopping money order;</li> <li>– money order receipt.</li> </ul> <p>If the customer does not provide one of these documents, particular attention is paid to his identity.</p> <p>The clerk collects the form.</p>
02	All	PO	<p><i>Manual checking of form</i></p> <p>The clerk checks the form, ensuring in particular that it is legible and correctly filled out (all essential information provided).</p> <p>The procedure continues with step 03.</p>
03	A	PO CC	<p><i>Initiating procedure for calling the call centre</i></p> <p>The post office calls the call centre and informs it of the request for reimbursement.</p>
	B	PO CC	<p><i>Initiating entry procedure by telephone via the Internet</i></p> <p>The post office calls the call centre. As the call is secure (VoIP), the procedure can continue with step 04B.</p>
04	A	CC PO	<p><i>Security call-back followed by checking of information</i></p> <p>The call centre calls back the requesting post office. This step makes it possible to verify that the reimbursement has, in fact, been requested by the post office.</p> <p>The call centre collects by telephone all the data needed to locate the money order to be reimbursed.</p> <p>The procedure continues with step 05.</p>
	B	CC PO	<p><i>Checking of reimbursement data</i></p> <p>The call centre collects by telephone all the data needed to locate the money order to be reimbursed.</p> <p>The procedure continues with step 05.</p>
05	A	CC	<p><i>Verification of reimbursement order in the system</i></p> <p>The call centre verifies that the data transmitted can justify the reimbursement.</p>
	B		<p>If the information is correct and the money order is able to be reimbursed, see step 06; if not, see step 08.</p>
06	All	PO Customer	<p><i>Confirmation of transaction to the customer</i></p> <p>The post office reimburses the amount deposited to the customer. It provides a copy of the reimbursement form as proof and has the customer sign the copy that the post office will keep.</p>

<i>Steps</i>	<i>PO type</i>	<i>Actors</i>	<i>Actions</i>
07	All		<p><i>The amount of the money order is reimbursed</i></p> <p>An accounting entry is made at the post office.</p> <p>In its own records, the call centre notes the time of the call, the money order number and the amount.</p>
08	All	PO Customer	<p><i>Customer notified of non-acceptance</i></p> <p>The post office informs the customer that reimbursement cannot be made and gives the reason. Depending on the reason, the customer may decide to:</p> <ul style="list-style-type: none"> <li>– complete a new form or provide additional information; in this case, the entire procedure will have to start from the beginning (step 01);</li> <li style="text-align: center;">or</li> <li>– if the reason is not acceptable, the post office can request the call centre to contact the partner DO in order to have the transaction reimbursed and provide the answer to the customer later, for which the customer will have to provide information to where the answer should be sent;</li> <li style="text-align: center;">or</li> <li>– abandon the transaction; in this case, the procedure ends with step 09.</li> </ul>
09	All	CC	<p><i>The amount of the money order is not reimbursed</i></p> <p>The call centre notes the reimbursement attempt in its own records.</p>

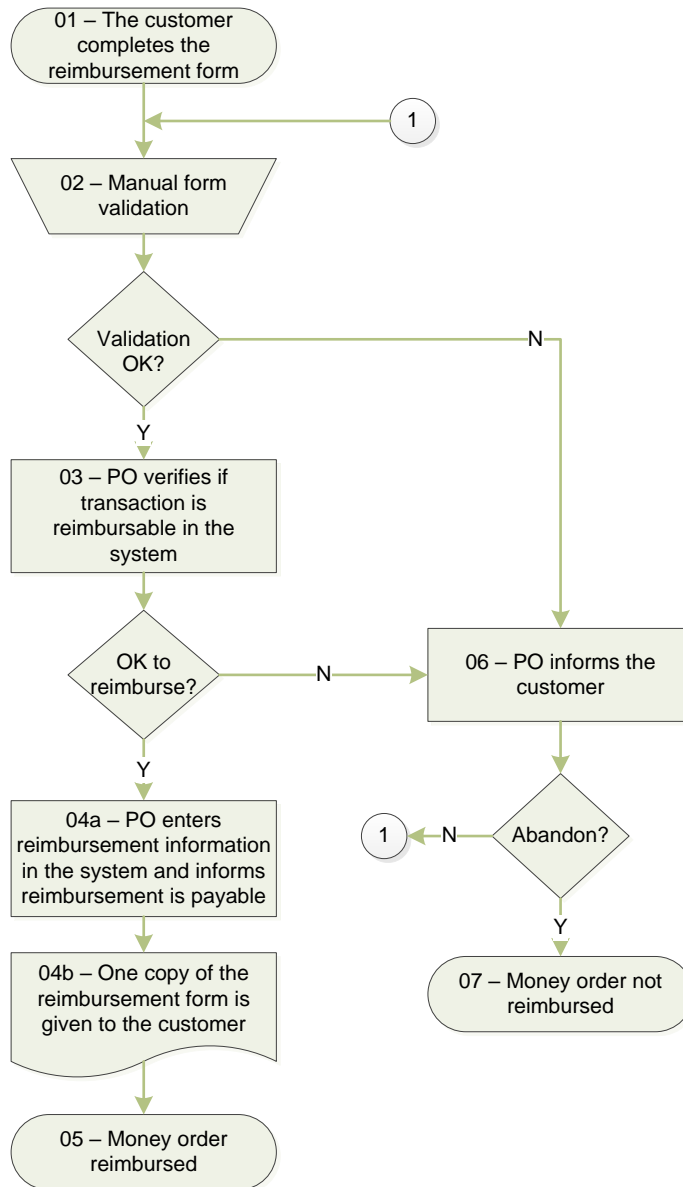
#### 5.2.4.2 Level 2 – automated post office

##### *Procedures for the reimbursement of electronic money orders at an automated post office (or postal agency)*

This procedure is only applicable to post offices with authorization to provide this service directly (management decision). If not, the manual procedure described under section 5.2.4.1 (Level 1 – manual post office) is to be applied.

Diagram

PO – Post office



*Description of tasks*

<i>Steps</i>	<i>Actors</i>	<i>Actions</i>
01	PO Customer	<p><i>Receipt of the form</i></p> <p>The customer completes the reimbursement form in duplicate and provides proof of identity and one of the following documents:</p> <ul style="list-style-type: none"> <li>– notification of reimbursement;</li> <li>– request form for stopping money order;</li> <li>– money order receipt.</li> </ul> <p>If the customer does not provide one of these documents, particular attention is paid to his identity.</p> <p>The clerk collects the form.</p>
02	PO	<p><i>Manual checking of form</i></p> <p>The clerk checks the form, ensuring in particular that it is legible and correctly filled out (all essential information provided).</p> <p>The procedure continues with step 03.</p>
03	PO	<p><i>Direct entry of transaction in system</i></p> <p>The post office checks whether the transaction is reimbursable in the system and that the identity is correct.</p> <p>If the information is correct, go to step 04; if not, see step 06.</p>
04	PO Customer	<p><i>Confirmation of transaction to the customer</i></p> <p>The post office reimburses the amount deposited to the customer. It provides a copy of the reimbursement form as proof and has the customer sign the copy that it will keep.</p>
05	PO	<p><i>Amount of money order is reimbursed</i></p> <p>The post office archives a copy of the form and registers the transaction in its accounting book.</p> <p>The reimbursement procedure carried out by the Post of origin has been completed.</p>
06	PO Customer	<p><i>Customer notified of non-acceptance</i></p> <p>The post office informs the customer that reimbursement cannot be made and gives the reason. Depending on the reason, the customer may decide to:</p> <ul style="list-style-type: none"> <li>– complete a new form or provide additional information; in this case, the entire procedure will have to start from the beginning (step 01);</li> <li>or</li> <li>– if the reason is not acceptable the post office clerk can request the call centre to contact the partner DO in order to have the transaction reimbursed and provide the answer to the customer later, for which the customer will have to provide information as to where the answer should be sent;</li> <li>or</li> <li>– abandon the transaction; in this case, the procedure ends with step 07.</li> </ul>
07	PO	<p><i>The amount of the money order is not reimbursed</i></p>

5.2.5 *Stop payment*

*Procedures for the issue and follow-up of a stop request*

5.2.5.1 Level 1 – manual post office

The diagram shows the procedure to be followed for a money order stop request at a non-automated post office (or postal agency).

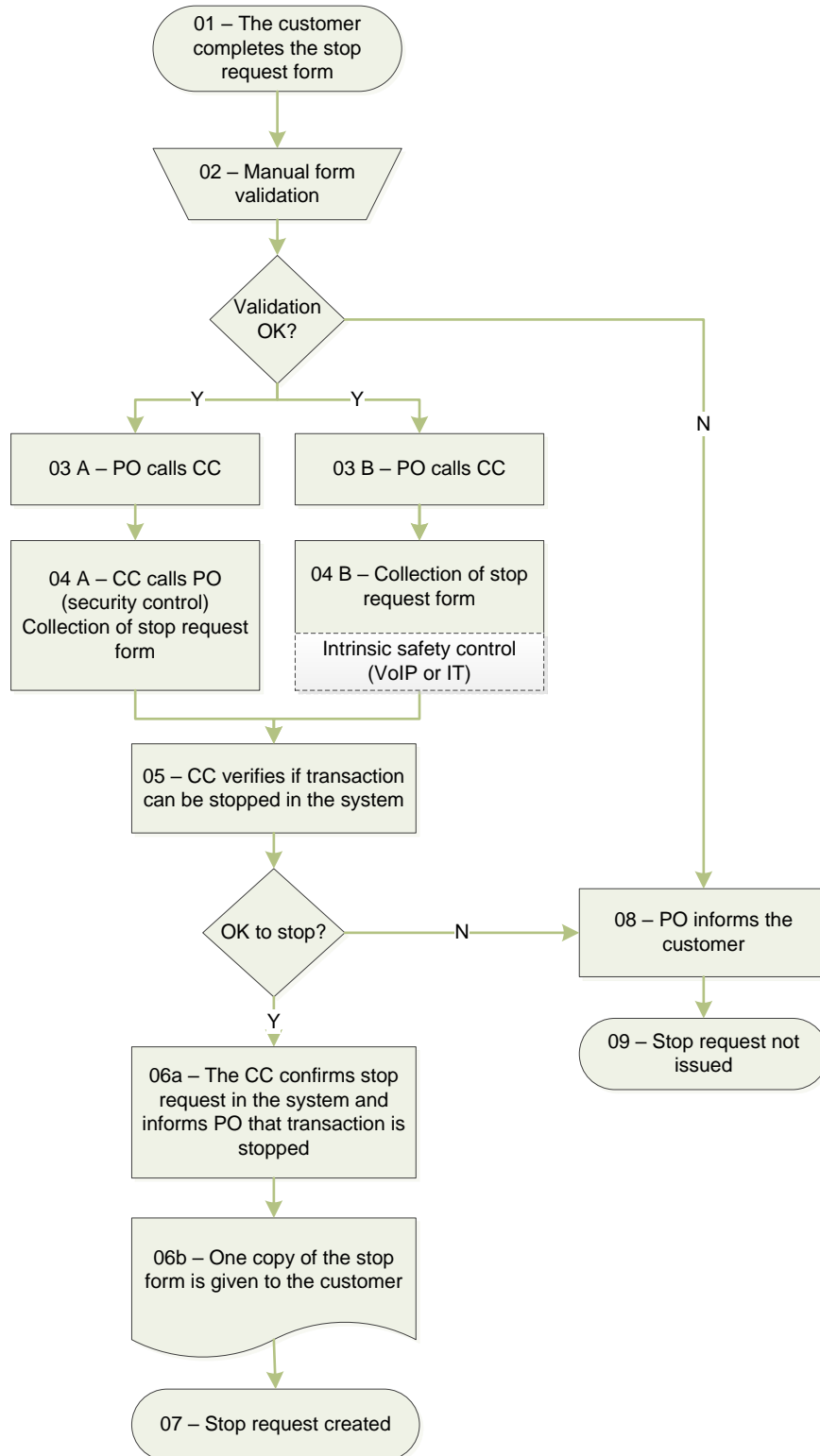
In the case of a stop payment transaction, only the telephone is used, therefore involving two types of office:

- Traditional telephone (non-secure) → office (A);
- Telephone via Internet (secure) → office (B).

Diagram

PO – Post office

CC – Call centre



*Description of tasks*

<i>Steps</i>	<i>PO type</i>	<i>Actors</i>	<i>Actions</i>
01	All	PO Customer	<i>Receipt of the form</i> The customer completes the stop request form in duplicate and provides proof of identity and the money order receipt. The clerk collects the form.
02	All	PO	<i>Manual checking of form</i> The clerk checks the form, ensuring in particular that it is legible and correctly filled out (all essential information provided).
03	A	PO CC	<i>Initiating procedure for calling the call centre</i> The post office calls the call centre and informs it of the stop request. The procedure continues with step 04A.
	B	PO CC	<i>Initiating entry procedure by telephone via the Internet</i> The post office calls the call centre. As the call is secure (VoIP), the procedure can continue with step 04B.
04	A	CC PO	<i>Security call-back followed by checking of information</i> The call centre calls back the requesting post office. This step makes it possible to verify that the stop request has, in fact, been made by the post office. After the telephone call, the information is checked. The call centre collects by telephone all the data needed to locate the money order to be stopped. The procedure continues with step 05.
	B	CC PO	<i>Checking of data (see note)</i> The call centre collects by telephone all the data needed to locate the money order to be stopped. The procedure continues with step 05.
05	All	CC	<i>Verification of stop request order in the system</i> The call centre checks whether the data transmitted can justify the stop request by connecting to the system. If the information is correct and the money order can be stopped, see step 06; if not, see step 08.
06	All	PO CC Customer	<i>Confirmation of transmission of customer's stop payment request</i> The call centre records the stop request in the system and informs the post office. The post office confirms the stop request to the customer and provides him a copy of the stop request form.
07	All		<i>Stop request finalized</i> The form is sent to the call centre or to the payment services centre to be verified.



<i>Steps</i>	<i>PO type</i>	<i>Actors</i>	<i>Actions</i>
08	All	PO Customer	<p><i>Customer notified of non-acceptance</i></p> <ul style="list-style-type: none"> <li>– The post office informs the customer that the stop request cannot be issued and provides explanation (the money order has been paid, etc.).</li> <li>– If the reason is not acceptable, the post office can request that the payment services centre contact the partner DO in order to have the transaction stopped and provide the answer to the customer later, for which the customer will have to provide information as to where the answer should be sent.</li> </ul>
09	All	CC	<p><i>Stop request not transmitted</i></p> <p>The call centre notes the stop request attempt in its own records.</p>

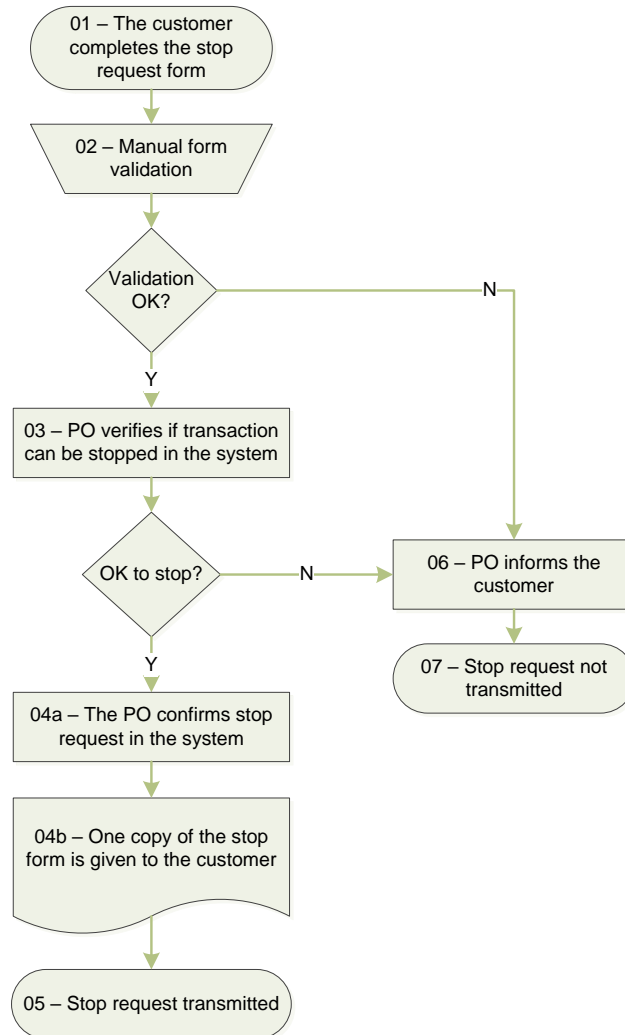
#### 5.2.5.2 Level 2 – automated post office

##### *Procedure for issuing a stop request at an automated post office (or postal agency)*

This procedure is only applicable to post offices with authorization to provide this service directly (management decision). If not, the manual procedure described under section 5.2.5.1 (Level 1 – manual post office) is to be applied.

Diagram

PO – Post office



Description of tasks

Steps	Actors	Actions
01	PO Customer	<i>Receipt of the form</i> The customer completes the stop request form in duplicate and provides proof of identity and the money order receipt. The clerk collects the form.
02	PO	<i>Manual checking of form</i> The clerk checks the form, ensuring in particular that it is legible and correctly filled out (all essential information provided).

<i>Steps</i>	<i>Actors</i>	<i>Actions</i>
03	PO	<p><i>Direct entry of transaction in system</i></p> <p>The clerk checks whether the transaction can be stopped by connecting to the system.</p> <p>If the information is correct and the money order can be stopped, see step 04; if not, see step 06.</p>
04	PO Customer	<p><i>Confirmation of transmission of customer's stop payment request</i></p> <p>The clerk confirms the transmission of the customer's stop request. He provides a copy of the stop request form as proof and has the customer sign the copy that he will keep.</p>
05	PO	<p><i>Stop request transmitted</i></p> <p>The post office archives a copy of the form and registers the transaction in its accounting book.</p> <p>The stop request procedure carried out by the Post of origin has been completed.</p>
06	PO Customer	<p><i>Customer notified of non-acceptance</i></p> <p>The clerk informs the customer that the stop request cannot be issued because the money order has been paid, and explains why.</p> <p>If the reason is not acceptable, the post office can request that the payment services centre contact the partner DO in order to have the transaction stopped and provide the answer to the customer later, for which the customer will have to provide information as to where the answer should be sent.</p>
07	PO	<p><i>Stop request not transmitted</i></p> <p>The post office notes the stop request attempt in its own records.</p>

### 5.2.6 Daily counter closure

At the end of the day, or closing of the counter position, the teller is to close its position by:

- reconciling all its postal payment services transactions, based on the receipts signed by customers, with the entries registered in its daily counter registry differentiated by customers' funds (money order amounts), from tariffs collected;
- reconciling the registered money flows, in cash, or in case other means of payment are accepted, such as account movements, card payments, etc., with the respective balances in cash, accounts, cards, etc.;
- reporting to the back office on the transactions carried out, the amounts collected or paid, and any difficulties encountered in closing the accounting entries.

In case of discrepancies, such as wrong registration of the actual amount of the transaction, the same have to be analyzed and corrected, ideally locally.

For all other cases, any discrepancies that cannot be corrected locally, such as differences of collected amount and transaction amount or tariffs, are to be notified immediately to the back office, which should then contact the middle office for any corrective measures.

The daily report and remaining cash, together with the transaction documents and receipts, are to be handed over to the back office for the post office's end-of-day closure.

#### 5.2.6.1 *Level 1 – manual post office*

For manually operated post offices, the registration of each transaction is to be made on the counter's daily reporting sheet (differentiating customers' funds from tariffs collected), which will serve for the reconciliation of its activity and money flows as described above.

All documents and receipts pertaining to the postal payment transactions are to be annexed to the daily report and provided to the back office.

#### 5.2.6.2 *Level 2 – automated post office*

For automated post offices, the clerk should check on his front-office counter end-of-day screen the registry of each transaction made, as described above.

Following the check of the counter's daily activity, the clerk confirms in the system the end-of-day report for validation by the back office, and provides the back office with all the documents and receipts pertaining to its postal payment transactions.

### 5.3 *Back-office procedures*

The back office deals with all post office activities not dealing directly with the customer, such as daily reconciliation of the post office, the sending of transaction and activities reports to the middle office, and post office archives. It is also the first point of contact for the treatment of inquiries and claims received from customers or from the middle office payment centre.

The back office may be in the same office as a full-fledged office (which keeps its own accounting) or in the parent post office in the case of a dependent post office.

#### 5.3.1 *Activity accounting*

At the end of the day, the back office is to collect and validate all end-of-day counter reports.

The back office should then:

- reconcile all postal payment services transactions with the registered daily entries, differentiating customers' funds from tariffs collected;
- reconcile the registered money flows, in cash, or in case other means of payment are accepted, such as account movements, card payments, etc., with the respective balances in cash, accounts, cards, etc.

In case of discrepancies, such as wrong registration of the actual amount of the transaction, the same have to be analyzed and corrected, ideally locally.

For all other cases, any discrepancies that cannot be corrected locally, such as differences of collected amount and transaction amount or tariffs, are to be sent immediately to the middle office for any corrective measures.

The daily post office report, together with the respective documents and receipts, are to be archived. The archiving might be done centrally, for instance by the middle office, or at each post office, depending on the Post's setup regarding the archiving of transaction documents.

#### 5.3.1.1 *Level 1 – manual post office*

For manually operated post offices, the registration of each transaction is to be made in the post office's daily accounting book (differentiating customers' funds from tariffs collected), which will serve for the reconciliation of its activity and money flows as described above.

A copy of the daily post office activity is to be sent with supporting documents to the middle office.

#### *5.3.1.2 Level 2 – automated post office*

For automated post offices, the person responsible for the back office is to check on his back office application's end-of-day screen the registry of each transaction made, as described above, and confirm/validate the correctness of the data for further processing by the middle office and accounting.

Following the check of the back office's daily activity, the back office responsible is to print the post office's end-of-day report for archiving, together with all documents and receipts pertaining to its postal payment transactions.

A copy of the post office's daily activity report is sent to the middle office together with the supporting documents.

#### *5.3.2 Cash flow management*

##### *5.3.2.1 End-of-day procedures*

At the end of the day, the post office's cash situation is to be reported to the middle office payment centre.

Depending on the Post's central directives regarding the threshold of cash to be kept at the post office, the excess cash is to be credited into the bank account of the post office support bank (normally the closest bank agency), or given to the cash transport entity.

The amount remaining at the post office is to be kept in an appropriate safe-deposit box.

In case the remaining cash is below the stipulated threshold, provisions are to be made to replenish the post office's cash flow.

##### *5.3.2.2 Cash provision forecast*

At the end of the day, the back office is also responsible for informing the middle office payment centre as to the provisional need for cash for its next day activities regarding postal payment services. The need for cash can be based on statistics from previous months (pension out-payment day, etc.).

#### *5.4 Post office training*

Each post office staff member should receive proper training in the area of postal payment services.

The operating procedures should be provided to all staff members.

As it is not always possible to displace all post office staff to training centres for training, at least one staff member should have access to training. This person should then train his colleagues, making use of the training material provided during the training.

The head of the post office, based on the activity and difficulties of his staff, should propose staff for training whenever needed.

An annual training plan for each objective must be drawn up in coordination with the middle office to cover all services provided to customers and all agents and managers involved in the sale of products and services, with monitoring and evaluation of the training cycles carried out for each target.

### 5.5 *Backup procedures (contingency)*

As described above, contingency planning is to be put into place and documented. When facing an adversity, such as an electricity shortage or IT failure, the post office should know to whom to report the incident.

When faced with such constraints, the post office should implement the contingency plan pending a satisfactory solution of the problem encountered.

For IT-related issues at automated post offices, transactions could be performed by reverting to middle office call centre-based operations, as per a manually operated post office. These contingency operations should be decided by the management when validating the contingency plan.

### 5.6 *Archives*

The archiving of transactions can be done at the post-office level or at the middle-office level for all post offices, depending on the structure defined by the organization for all of its archives.

If appropriate, the post-office back office, for level-1 post offices, should keep an archive of all transactions it has made, in addition to those of its dependent post offices if applicable.

Archives should be kept in good hygienic conditions in a suitable and secure environment. If archives are kept in poor conditions and are difficult to access, the result is wasted time and effort and the archives are of no value to the organization.

Archiving methodology, rules and procedures should reflect:

- the regulatory obligations to be met, such as obligations relating to document retention periods (document life cycle) imposed by the relevant regulators (Ministry of Finance, central bank, etc.);
- other internal practices and regulations already in place for other products and services;
- the working environment, i.e. physical conditions, access criteria and responsibilities.

Furthermore, archiving procedures should be clearly communicated to all relevant staff within the organization.

## 6 Middle office

The middle office, in the context of this guide, is the first line of support for post offices in the handling and monitoring of PPS. It is also the contact for partners of designated operators (DOs) regarding inquiries and claims.

The middle office includes:

- the call centre (CC); and
- the payment services centre (PS).

### 6.1 Middle-office facilities

The layout of the middle office is important as it is dealing with sensitive operational and financial information by serving as a CC for manual post offices and, if so decided, as fall-back/contingency for automated post offices, and for reconciling post office transactions, handling inquiries and claims, and managing, opening and testing new corridors. If so decided, it may also serve as a helpdesk for post offices and customers, for which appropriate additional conditions have to be satisfied.

The middle office should preferably be located in a main office (postal financial services headquarters) near to the operations unit responsible for PPS and with restricted access to authorized personnel only.

When possible, the two middle-office areas (the CC and the PS) should be grouped separately, as they perform different activities. In this regard, it should be borne in mind that the CC activities involve telephone contact with post offices and, when working as a helpdesk, with customers (noise issues).

However, interoperability between call centre operators and payment centre operators must be ensured. Thus, middle-office operators must be grouped together in the same open space in order to be able to communicate easily.

The call centre and payment services centre areas must be large enough to accommodate all operators (and, if possible, should allow for an additional post if necessary), and workstations must be grouped together in order to ensure interoperability.

Every middle-office workstation must:

- provide sufficient space for the operator to fill out forms and consult other documents;
- be equipped with a telephone and a computer;
- be close to a fax machine and printer;
- be located close to the archives to store transactional documents;
- be air-conditioned or heated, in countries where climate conditions so require.

The middle office must have comprehensive information on the postal payment services offered:

- postal payment services (urgent, normal, etc.);
- tariff for each postal payment service offered;
- updated daily foreign exchange rates, at least for the main currencies (to be communicated to post offices if necessary);
- forms;
- postal payment services sales and promotional materials.

The middle office should always enjoy good infrastructural conditions. It should be clean and well organized, and all papers and supporting materials should always be kept in an appropriate space provided for this purpose.

Each middle-office position should have the necessary equipment, such as PC and telephone, and enough space for handling any paper supports. Fax machines and printers should be within easy reach of all staff.

Archives should be well identified and in proper conditions, such as closed filing cabinets.

#### *6.1.1 Helpdesk activities*

If so decided, the middle-office CC can also serve as a helpdesk for post offices and/or customers.

As a helpdesk for post offices, especially automated ones, to support post office staff when additional PPS-related operational information is needed; in this case, also serving as an additional training facility.

As a helpdesk by providing customers with information regarding transactions or PPS services provided by the Post in general.

Special care should be paid to ensure training of staff for quality service provision.

A dedicated telephone line and/or e-mail address should be established and provided to all customers and post offices.



6.2 Call centre procedures

6.2.1 Issuing procedures

6.2.1.1 Level 1 – support to manual post office

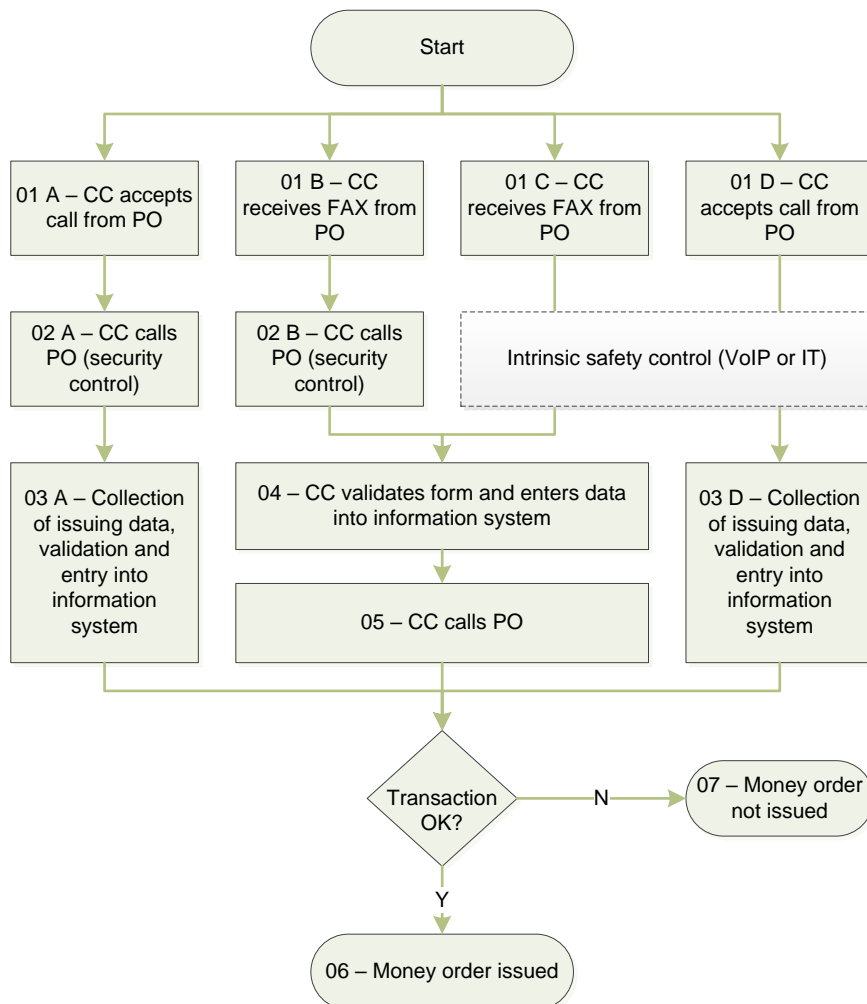
Procedures for issuing electronic money orders at a non-computerized post office (or postal agency)

Non-computerized post offices may proceed with operations for issuing electronic money orders via the middle-office CC.

Diagram

PO – Post office

CC – Call centre



*Description of tasks*

<i>Step</i>	<i>PO type</i>	<i>Actors</i>	<i>Actions</i>
01	A	PO CC	<i>Initiating entry procedure by telephone</i> The CC accepts the telephone call from the post office and registers the post office calling for call-back (step 02A) as the call is not secure.
	B	CC	<i>Transmission of order from post office by fax</i> The CC receives the issue form from the post office by fax. As the transmission is not secure, a call-back will be necessary (step 02B).
	C	CC	<i>Transmission of order from post office by fax via the Internet</i> The CC receives the issue form from the post office by fax. As the transmission is secure (VoIP), a call-back is not necessary and the procedure can resume at step 04.
	D	PO CC	<i>Initiating entry procedure by telephone via the Internet</i> The CC accepts the call from the post office. As the call is secure (VoIP), the procedure can resume with step 03D.
02	A	CC PO	<i>Security call-back followed by checking of issuing information</i> The CC calls back the issuing post office, using the authorized number. The purpose of this step is to verify that the issuing process has been properly initiated and that the transaction corresponds to a customer order. <b>N.B.</b> – If the post office telephone number is not the authorized number, a check will be necessary. This step is followed by step 03A (checking of information).
02	B	CC PO	<i>Security call-back</i> The CC calls back the issuing post office, using the authorized number. The purpose of this step is to verify that the fax has been properly transmitted by the post office and that the transaction corresponds to a customer order. <b>N.B.</b> – If the post office telephone number is not the authorized number, a check will be necessary. Proceed to step 04.
03	A D	CC PO	<i>Checking of issuing data and entry into information system</i> The CC operator collects all the data needed to issue the money order from the clerk by telephone and enters it in the system at the same time. The system automatically carries out a detailed check during validation, which could lead to a rejection (mandatory value missing, maximum amount exceeded, etc.). If the transaction has been entered correctly, the CC communicates the international transaction number to the post office and the procedure continues with step 06; if not, see step 07.
04	B C	CC	<i>Entry of transaction in system</i> The CC operator enters the transaction in the system on the basis of the fax received.

<i>Step</i>	<i>PO type</i>	<i>Actors</i>	<i>Actions</i>
			The system automatically carries out a detailed check during validation, which could lead to a rejection (mandatory value missing, maximum amount exceeded, etc.).
05	B C	CC PO	<i>Confirmation or rejection of issue transaction at PO</i> The CC operator calls the post office to confirm the transaction and provide the international transaction number if the transaction entry is accepted; in this case, the procedure continues with step 06; if not, see step 07.
06	All	PO	<i>Money order is issued</i> The CC registers the transaction (money order number and amount) as well as the time of the call (for PO A and D) in its daily activity sheet together with the fax received (for PO B and C).
07	All	PO	<i>Money order not issued</i> The CC operator informs the clerk of the reasons why the transaction was not accepted. The CC registers the transaction in its daily activity sheet together with the fax received (for PO B and C), mentioning that it was "Cancelled".

## 6.2.2 Pay-out procedures

### 6.2.2.1 Level 1 – support to manual post office

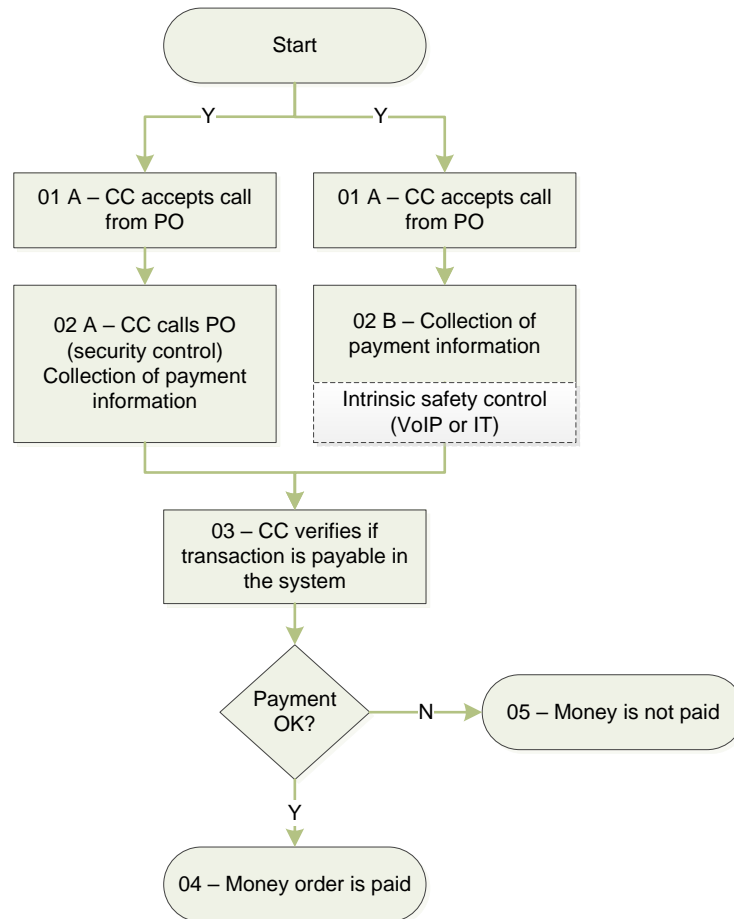
The diagram shows the procedure to be followed for payment of a money order at a non-automated post office (or postal agency).

In the case of a payment transaction, only the telephone is used, therefore two types of office are involved:

- Traditional telephone (non-secure) → office (A);
- Telephone via Internet (secure) → office (B).

Diagram

PO – Post office  
 CC – Call centre



Description of tasks

Steps	PO type	Actors	Actions
01	A	PO CC	<i>Initiating entry procedure by telephone</i> The CC operator accepts the telephone call from the post office and registers the calling post office for call-back (step 02A) as the call is not secure.
	B	PO CC	<i>Initiating entry procedure by telephone via the Internet</i> The CC operator accepts the call from the post office. As the call is secure (VoIP), the procedure can resume with step 02B.

<i>Steps</i>	<i>PO type</i>	<i>Actors</i>	<i>Actions</i>
02	A	CC PO	<p><i>Security call-back followed by checking of payment information</i></p> <p>The CC operator calls back the paying post office. This step makes it possible to verify that the payment has been requested by the post office.</p> <p>The CC operator collects by telephone all the data needed to locate the money order to be paid.</p> <p>The procedure continues with step 03.</p>
	B	CC PO	<p><i>Checking of payment information</i></p> <p>The call centre operator collects by telephone all the data needed to locate the money order to be paid.</p> <p>The procedure continues with step 03.</p>
03	All	CC	<p><i>Verification of payment order in the system</i></p> <p>The CC operator verifies in the system that the data transmitted can justify payment.</p> <p>If the information is correct and the money order is payable, the CC operator pays the transaction in the system; if not, see step 05.</p>
04	All	CC	<p><i>Transaction is paid</i></p> <p>The CC operator registers the transaction (transaction number, amount and the time of the call) in the daily activity sheet.</p>
05	All	CC PO	<p><i>Transaction is not paid</i></p> <p>The CC operator informs the clerk of the reasons why the transaction was not accepted.</p> <p>The CC operator records the payment attempt in the daily activity sheet.</p>

### 6.2.3 Requests for information

#### 6.2.3.1 Level 1 – support to manual post office

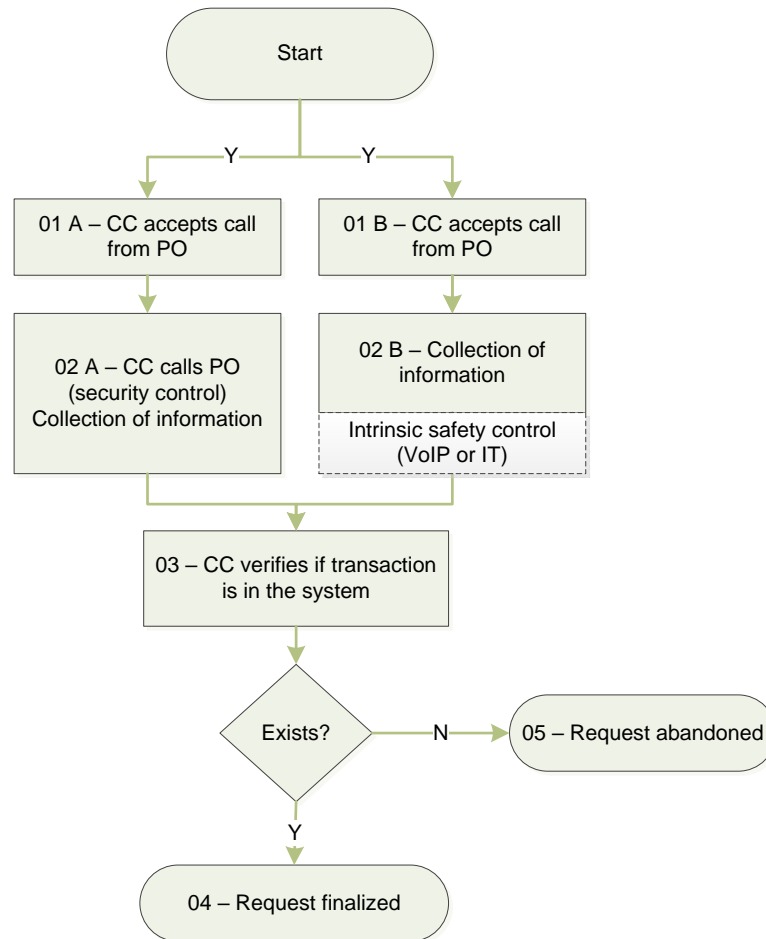
The diagram shows the procedure to be followed for requests for information about a money order at a non-automated post office (or postal agency).

In the case of a request for information, only the telephone is used; therefore, two types of office are involved:

- Traditional telephone (non-secure) → office (A);
- Telephone via Internet (secure) → office (B).

Diagram

PO – Post office  
 CC – Call centre



Description of tasks

Steps	PO type	Actors	Actions
01	A	PO CC	<i>Initiating entry procedure by telephone</i> The CC operator accepts the telephone call from the post office and registers the calling post office for call-back (step 02A) as the call is not secure.
	B	PO CC	<i>Initiating entry procedure by telephone via the Internet</i> The CC operator accepts the call from the post office. As the call is secure (VoIP), the procedure can resume with step 02B.
02	A	CC PO	<i>Security call-back followed by checking of information</i> The CC operator calls back the requesting post office. This step makes it possible to verify that the request has been initiated by an authorized post office.  The CC operator collects by telephone all the information needed to locate the money order.  The procedure continues with step 03.

<i>Steps</i>	<i>PO type</i>	<i>Actors</i>	<i>Actions</i>
	B	CC PO	<i>Checking of information</i> The CC operator collects by telephone all the data needed to locate the money order. The procedure continues with step 03.
03	All	CC	<i>Verification of transaction in the system</i> The CC operator verifies if the transaction is in the system. If the money order is retrieved, the CC operator informs the PO as to its status; if not, see step 05.
04	All	CC	<i>Request finalized</i> The CC operator registers the request for information (transaction number and the time of the call) in the daily activity sheet.
05	All	CC PO	<i>Request abandoned</i> The CC operator informs the clerk that the transaction could not be located and the reasons, if appropriate. The CC operator records the request for information attempt in the daily activity sheet.

#### 6.2.4 Reimbursement

##### 6.2.4.1 Level 1 – manual post office

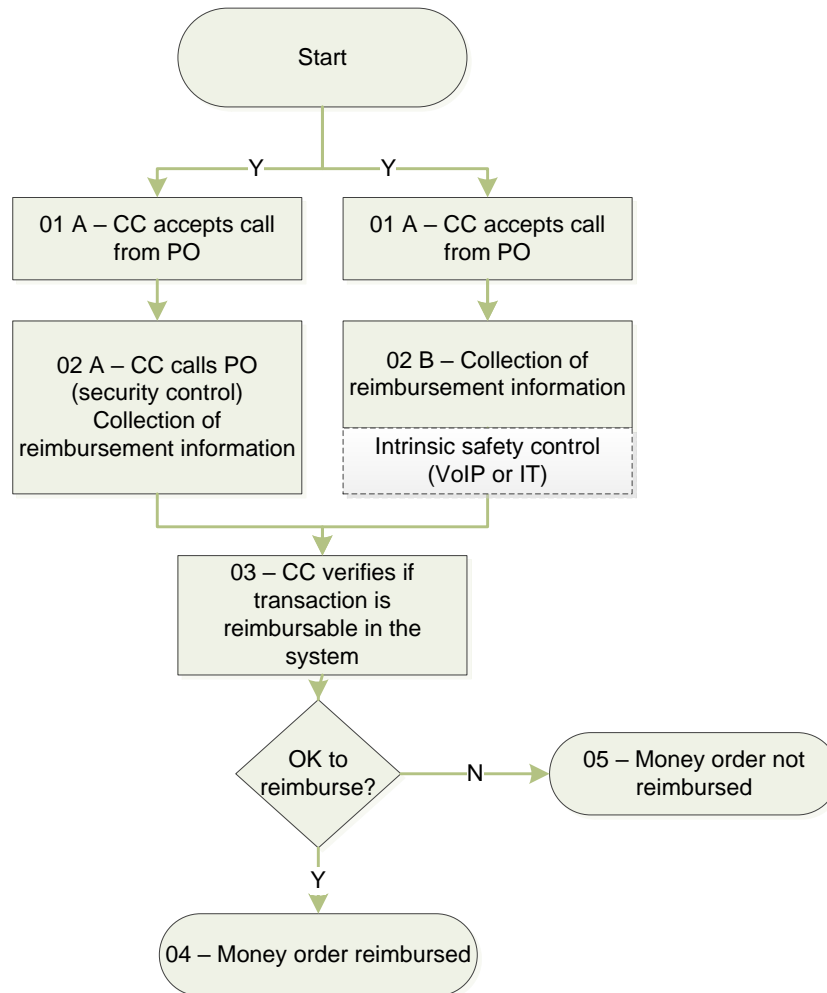
The diagram shows the procedure to be followed for reimbursement of a money order at a non-automated post office (or postal agency).

In the case of a reimbursement transaction, only the telephone is used; therefore, two types of office are involved:

- Traditional telephone (non-secure) → office (A);
- Telephone via Internet (secure) → office (B).

Diagram

PO – Post office  
 CC – Call centre



Description of tasks

Steps	PO type	Actors	Actions
01	A	PO CC	<i>Initiating entry procedure by telephone</i> The CC operator accepts the telephone call from the post office and registers the calling post office for call-back (step 02A) as the call is not secure.
	B	PO CC	<i>Initiating entry procedure by telephone via the Internet</i> The CC operator accepts the call from the post office. As the call is secure (VoIP), the procedure can resume with step 02B.
02	A	CC PO	<i>Security call-back followed by checking of reimbursement information</i> The CC operator calls back the requesting post office. This step makes it possible to verify that the reimbursement has been requested by the post office.



<i>Steps</i>	<i>PO type</i>	<i>Actors</i>	<i>Actions</i>
			The CC operator collects by telephone all the information needed to locate the money order to be reimbursed. The procedure continues with step 03.
	B	CC PO	<i>Checking of reimbursement information</i> The CC operator collects by telephone all the information needed to locate the money order to be reimbursed. The procedure continues with step 03.
03	All	CC	<i>Verification of reimbursement order in the system</i> The CC operator verifies that the data transmitted can justify the reimbursement. If the information is correct and it is possible to reimburse the transaction, the CC operator pays the transaction in the system; if not, see step 05.
04	All	CC	<i>The amount of the transaction is reimbursed</i> The CC operator registers the transaction (money order number, amount and the time of the call) in the daily activity sheet.
05	All	CC PO	<i>The amount of the transaction is not reimbursed</i> The CC operator informs the clerk of the reasons why the transaction cannot be reimbursed. The CC records the reimbursement attempt in its daily activity sheet.

### 6.2.5 Stop payment

#### *Procedures for the issue and follow-up of a stop request*

##### 6.2.5.1 Level 1 – manual post office

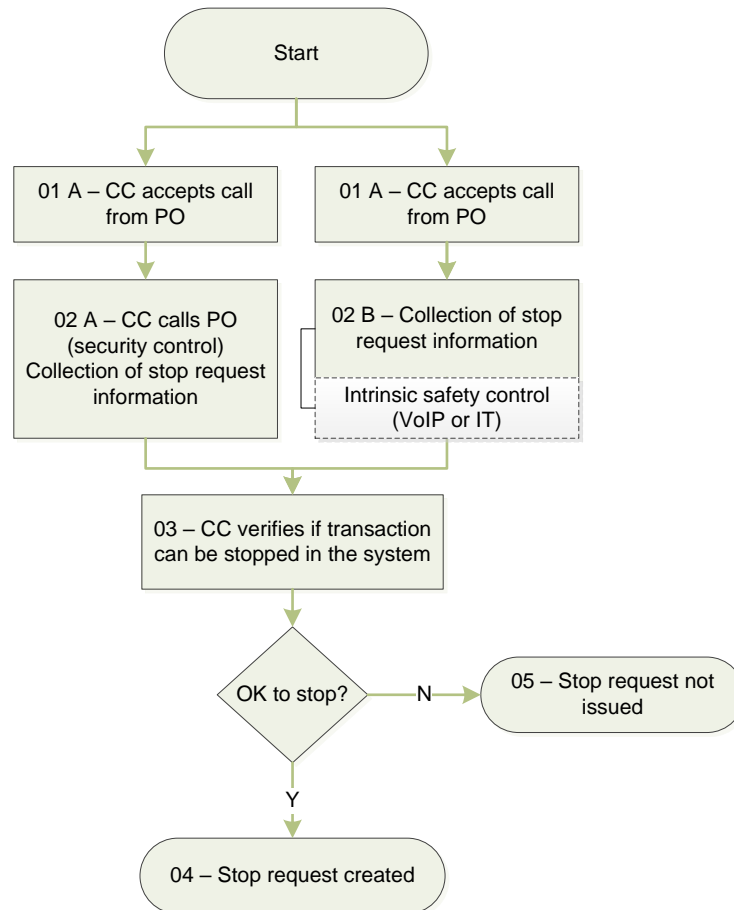
The diagram shows the procedure to be followed for a stop request of a money order at a non-automated post office (or postal agency).

In the case of a stop payment transaction, only the telephone is used; therefore two types of office are involved:

- Traditional telephone (non-secure) → office (A);
- Telephone via Internet (secure) → office (B).

Diagram

PO – Post office  
 CC – Call centre



Description of tasks

Steps	PO type	Actors	Actions
01	A	PO CC	<i>Initiating entry procedure by telephone</i> The CC operator accepts the telephone call from the post office and registers the calling post office for call-back (step 02A) as the call is not secure.
	B	PO CC	<i>Initiating entry procedure by telephone via the Internet</i> The CC operator accepts the call from the post office. As the call is secure (VoIP), the procedure can resume with step 02B.
02	A	CC PO	<i>Security call-back followed by checking of stop payment information</i> The CC operator calls back the requesting post office. This step makes it possible to verify that the stop request has been made by the post office.  The CC operator collects by telephone all the information needed to locate the transaction to be stopped.  The procedure continues with step 03.
	B	CC	<i>Checking of stop payment information</i>

<i>Steps</i>	<i>PO type</i>	<i>Actors</i>	<i>Actions</i>
		PO	The CC collects by telephone all the information needed to locate the money order to be stopped. The procedure continues with step 03.
03	All	CC	<i>Verification of stop request order in the system</i> The CC operator checks whether the information transmitted can justify the stop request. If the information is correct and the transaction can be stopped, the CC operator enters the stop request in the system; if not, see step 05.
04	All	CC	<i>Stop request finalized</i> The CC operator registers the transaction (transaction number, amount and the time of the call) in the daily activity sheet.
05	All	CC PO	<i>Stop request not transmitted</i> The CC operator informs the clerk of the reasons why the transaction cannot be stopped. The CC records the stop request attempt in its daily activity sheet.

#### 6.2.6 *Daily call centre operator position closure*

At the end of the day, or closing of the CC operator's position, the operator should close the daily activity by reconciling all the postal payment services transactions, based on the entries registered in the daily operator sheet registry with the information system log.

Any discrepancies, such as wrong registration of transaction amounts, missing transactions, duplicates or wrongly entered transactions, should be analyzed and corrected, ideally locally.

For all other cases of discrepancies that cannot be corrected locally, the party/parties concerned should be informed in order to resolve the matter as quickly as possible.

Any discrepancies should also be logged in the CC's daily transaction sheet.

#### 6.3 *Pre-sales/post-sales service procedures of middle-office payment services centre*

For the purposes of this guide, the pre-sales/post-sales service procedures treated are the receipt of, and response to, customer claims and inquiries through the post office and from partner DOs.

These services are handled by the middle-office PS.

##### *Claims and inquiries*

Claims and inquiries can be summarized as follows:

- a requests for additional information only to determine the status of PPS;
- b requests for reimbursements;

- c requests to stop PPS that have been issued; this type of request may be initiated by the sender of the money order who returns to stop the transaction<sup>2</sup>, or by the post office or the middle office itself (in the case of an entry error noted after validation of the issue order – the issuing office and/or the sender should be notified); and
- d requests from partners.

To send a request for information, reimbursement or cancellation to a partner DO or to receive a request from a partner, the following means can be used:

- telephone, fax, e-mail (lists of contact persons are needed for this purpose, taken, for example, from the PPS eCompendium or own middle-office contact lists from agreements);
- FEIS, the electronic inquiry system for financial services, the recommended tool provided by the UPU. It is advisable to consult FEIS manuals to understand how to use this system.

#### 6.3.1 *Request for additional information*

For regular procedures on responding to requests for additional information about money orders, refer to chapters:

- 5.2.3: Requests for information (post office procedure); and
- 6.2.3: Requests for information.

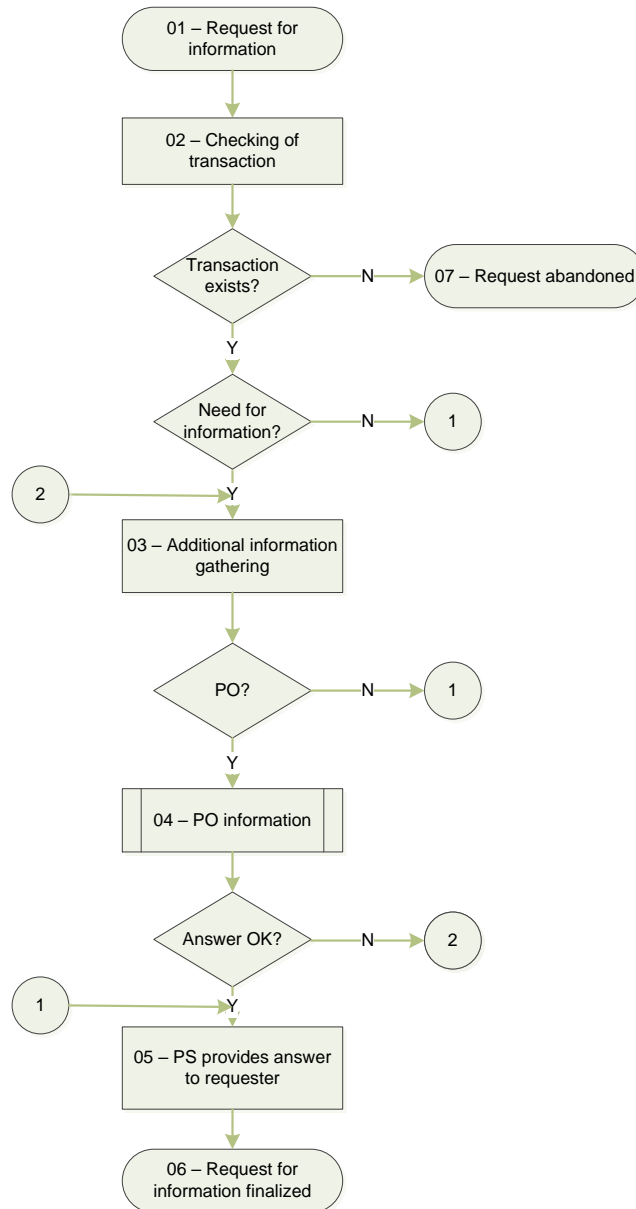
In case the answer provided is not sufficient due to a lack of information in the information system, such as missing information from the paying partner DO, or the customer is not satisfied with the response provided, a request for information should be sent to the partner DO.

<sup>2</sup> Except cash-on-delivery (COD) money orders. In the case of COD orders, the sender of the funds is not entitled to request reimbursement/stop payment.

*Procedure for request of additional transaction information to partner DO*

*Diagram*

PS – Payment services centre  
 PDO – Partner DO



*Description of tasks*

Steps	Actors	Actions
01	PS	Request for information. Receipt of request for information.

<i>Steps</i>	<i>Actors</i>	<i>Actions</i>
02	PS	<p><i>Checking of transaction.</i></p> <p>If the manual check of the request for information form is incorrect (lack of information) or the transaction is not retrievable in the information system, the process should continue with step 07.</p> <p>If the transaction can be retrieved and the information is sufficient to respond to the request, the process continues with step 05; if not, go to the next step (03).</p>
03	PS	<p><i>Request to partner DO</i></p> <p>The PS operator copies the relevant transaction information from the information system, checks for the right contact in the available partner DO contact list, and sends the request to the partner DO.</p> <p>The available information is retrievable either in own PS partner DO lists (from existing agreements) or in the PPS eCompendium.</p> <p>The PS operator sends the request either by e-mail or FEIS (the recommended system) to request additional information from the partner DO.</p> <p>The request should include all relevant transaction information: transaction number, name and address of sender and beneficiary, amount and claim/information requested/needed: payout date, etc.</p>
04	PDO	<p><i>PDO's response</i></p> <p>The PS operator puts the request for information on hold pending receipt of a response from the partner DO.</p> <p>The PDO should respond within the time frame stipulated in the UPU PPS quality of service standards defined by the Postransfer Group.</p> <p>Upon receipt of the response from the partner DO, the PS operator:</p> <ul style="list-style-type: none"> <li>– Prepares a response to the requester by proceeding to step 05, provided the partner DO's response is satisfactory;</li> <li>– requests additional information from the partner DO (if the information provided is not satisfactory) by resending the request for information and reason for non-acceptance of the response (step 03);</li> <li>– reminds the partner DO of the need to provide a response if the deadline for providing a response is exceeded by resending the request for information to the partner DO (step 03).</li> </ul>
05	PS Requester	<p><i>Response to the requester</i></p> <p>A response to the requester should be provided by e-mail or letter with the outcome of the investigation on the request for information.</p> <p>The process continues with step 06.</p>
06	PS	<p><i>Request for information finalized</i></p> <p>The PS operator registers the transaction in the daily activity sheet.</p>
07	PS Requester	<p><i>Request abandoned</i></p> <p>The PS operator informs the requester that the information provided is not sufficient for retrieving information.</p> <p>The PS operator archives the request and registers the request in the daily activity sheet.</p>

6.3.2 Requests for reimbursement

For the regular procedures for answering requests for reimbursement of money orders, refer to chapters:

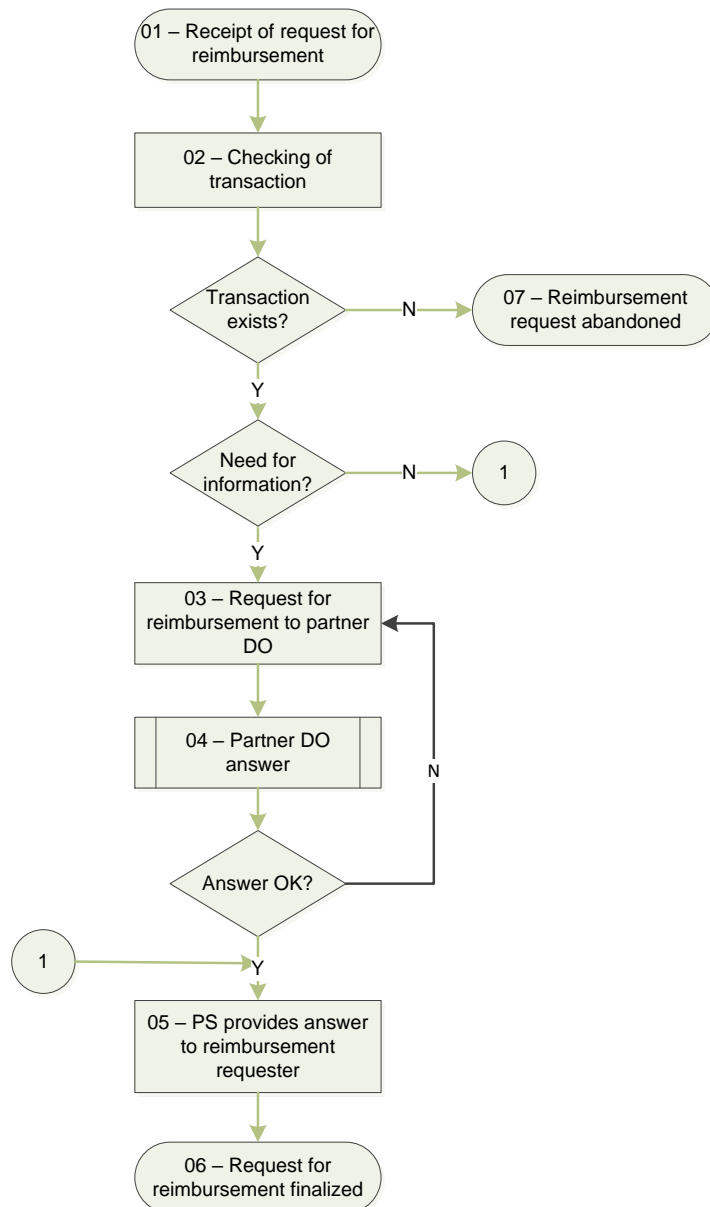
- 5.2.4: Reimbursement (post office procedure); and
- 6.2.4: Reimbursement.

In case the answer provided is not sufficient due to a lack of information in the information system, such as missing information from the paying partner DO, or the customer is not satisfied with the response provided, a request for reimbursement should be sent to the partner.

*Procedure for request for reimbursement to partner DO*

*Diagram*

PS – Payment services centre  
 PDO – Partner DO



*Description of tasks*

<i>Steps</i>	<i>Actors</i>	<i>Actions</i>
01	PS	<i>Receipt of request for reimbursement</i>
02	PS	<p><i>Checking of transaction</i></p> <p>If the manual check of the request for reimbursement form is incorrect (lack of information) or the transaction cannot be retrieved in the information system, the process should continue with step 07.</p> <p>If the transaction can be retrieved and the information is sufficient to respond to the request for reimbursement, the process continues with step 05; if not, go to the next step (03).</p>
03	PS	<p><i>Request to partner DO</i></p> <p>The PS operator copies the relevant transaction information from the information system, checks for the right contact in the available PDO contact list, and sends the request to the partner DO.</p> <p>The available information is retrievable either in own PS PDO lists (from existing agreements) or in the PPS eCompendium.</p> <p>The PS operator sends the request either by e-mail or FEIS (the recommended system) to request additional information from the PDO.</p> <p>The request should include all relevant transaction information: transaction number, name and address of sender and beneficiary, amount and claim/information requested/needed: payout date, etc.</p>
04	PDO	<p><i>PDO's response</i></p> <p>The PS operator puts the request for reimbursement on hold pending receipt of a response from the PDO.</p> <p>The PDO should respond within the time frame stipulated in the UPU PPS quality of service standards defined by the Postransfer Group.</p> <p>Upon receipt of a response from the PDO, the PS operator:</p> <ul style="list-style-type: none"> <li>– Prepares a response to the requester by proceeding to step 05, provided the partner DO's response is satisfactory;</li> <li>– requests additional information from the partner DO (if the information provided is not satisfactory) by resending the request for information and reason for non-acceptance of the response (step 03);</li> <li>– reminds the partner DO of the need to provide a response if the deadline for providing a response is exceeded by resending the request for information to the partner DO (step 03).</li> </ul>
05	PS Requester	<p><i>Response to the requester for reimbursement</i></p> <p>A response to the requester should be provided by e-mail or letter with the outcome of the investigation on the request for information.</p> <p>The process continues with step 06.</p>
06	PS	<p><i>Request for reimbursement finalized</i></p> <p>The PS operator registers the transaction in the daily activity sheet.</p>



Steps	Actors	Actions
07	PS Requester	<p><i>Request for reimbursement abandoned</i></p> <p>The PS operator informs the requester that the information provided is not sufficient for retrieving information.</p> <p>The PS operator archives the request and registers the request in the daily activity sheet.</p>

6.3.3 *Requests to stop PPS*

For the regular procedures for responding to customer requests to stop money orders, refer to chapters:

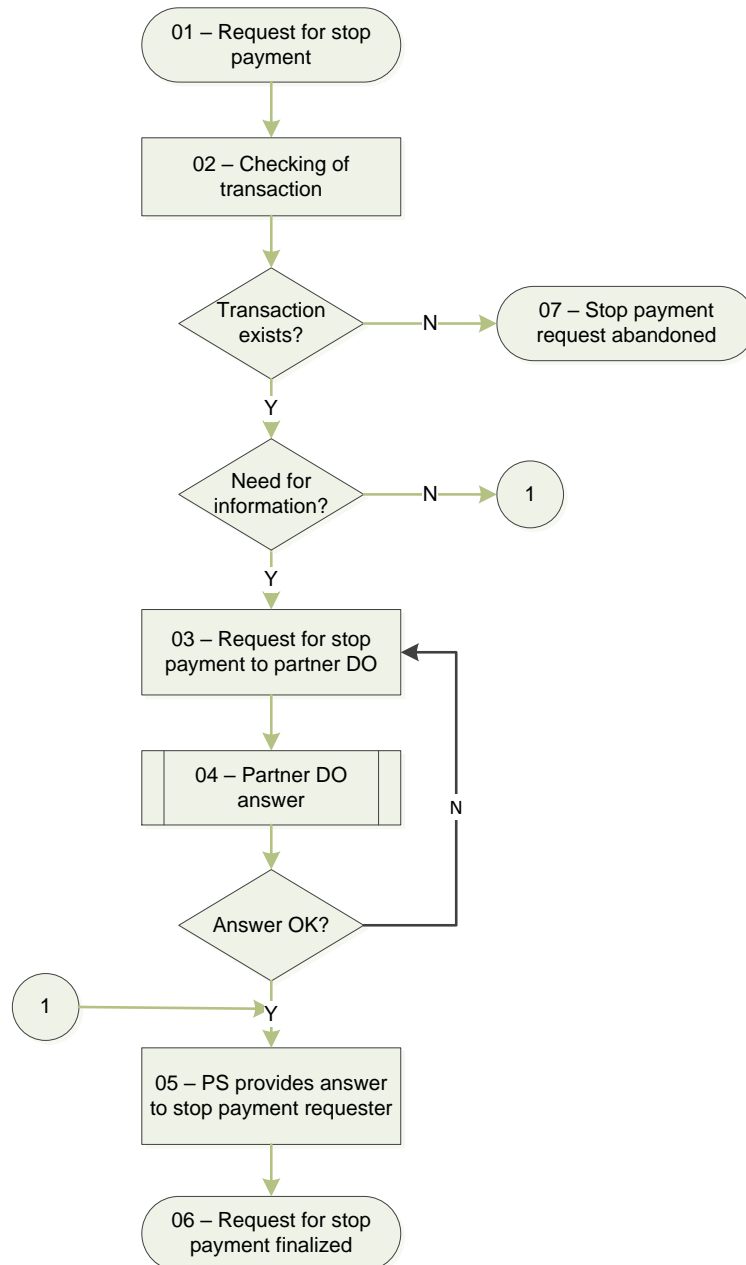
- 5.2.5: Stop payment (post office procedure); and
- 6.2.5: Stop payment.

In case the answer provided is not sufficient due to a lack of information in the information system, such as missing information from the paying PDO, or the customer is not satisfied with the response provided, a stop payment request should be sent to the partner.

*Procedure for request for stop payment to partner DO*

*Diagram*

PS – Payment services centre  
 PDO – Partner DO



*Description of tasks*

Steps	Actors	Actions
01	PS	Request for stop payment Receipt of request for stop payment.

<i>Steps</i>	<i>Actors</i>	<i>Actions</i>
02	PS	<p><i>Checking of transaction</i></p> <p>If the manual check of the request for stop payment form is incorrect (lack of information) or the transaction cannot be retrieved from the information system, the process should continue with step 07.</p> <p>If the transaction can be retrieved and the information is sufficient to respond to the request, the process continues with step 05; if not, go to the next step (03).</p>
03	PS	<p><i>Request for stop payment to partner DO</i></p> <p>The PS operator copies the relevant transaction information from the information system, checks for the right contact in the available PDO contact list, and sends the request to the partner DO.</p> <p>The available information is retrievable either in own PS PDO lists (from existing agreements) or in the PPS eCompendium.</p> <p>The PS operator sends the request either by e-mail or FEIS (the recommended system) to request additional information from the PDO.</p> <p>The request should include all relevant transaction information: transaction number, name and address of sender and beneficiary, amount and claim/information requested/needed: payout date, etc.</p>
04	PDO	<p>The PS operator puts the request to stop payment on hold pending receipt of a response from the PDO.</p> <p>The PDO should respond within the time frame stipulated in the UPU PPS quality of service standards defined by the Postransfer Group.</p> <p>Upon receipt of a response from the PDO, the PS operator:</p> <ul style="list-style-type: none"> <li>– Prepares a response to the requester by proceeding to step 05, provided the PDO's response is satisfactory;</li> <li>– requests additional information from the PDO (if the information provided is not satisfactory) by resending the request for information and reason for non-acceptance of the response (step 03);</li> <li>– reminds the partner DO of the need to provide a response if the deadline for providing a response is exceeded by resending the request for information to the PDO (step 03).</li> </ul>
05	PS Requester	<p><i>Response to requester</i></p> <p>A response to the requester should be provided by e-mail or letter with the outcome of the investigation on the request for stop payment.</p> <p>The process continues with step 06.</p>
06	PS	<p><i>Request for stop payment finalized</i></p> <p>The PS operator registers the transaction in the daily activity sheet.</p>
07	PS Requester	<p><i>Request for stop payment abandoned</i></p> <p>The PS operator informs the requester that the information provided is not sufficient for retrieving information.</p> <p>The PS operator archives the request and registers the request in the daily activity sheet.</p>

6.3.4 Requests from partners

The PS centre can also receive requests for information, reimbursements and to stop payments from PDOs.

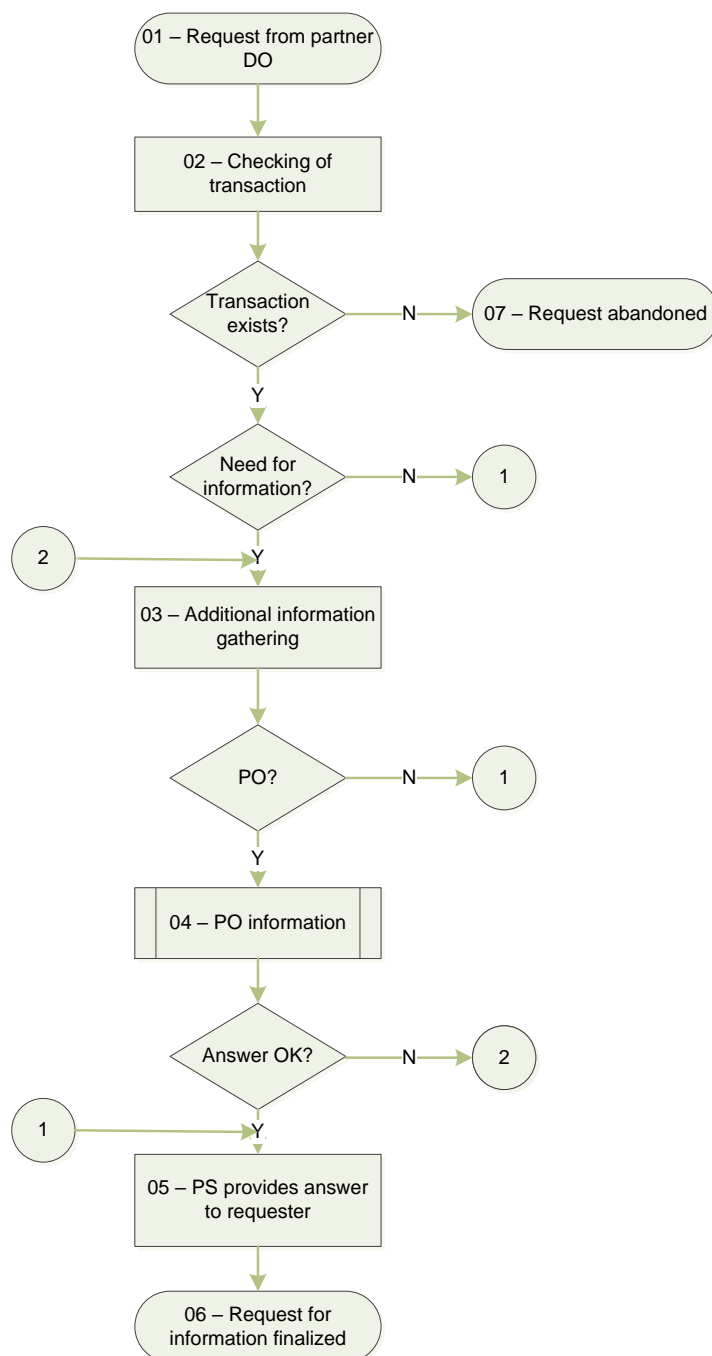
These requests should be handled within the shortest possible time frame, and never exceed the time limits set by the UPU bodies and reflected in the PPS quality standards.

Procedures for handling requests from partner DO

Diagram

PS – Payment services centre

PDO – Partner DO



*Description of tasks*

<i>Steps</i>	<i>Actors</i>	<i>Actions</i>
01	PS	<p><i>Request from PDO</i></p> <p>Receipt of request from PDO.</p>
02	PS	<p><i>Checking of transaction</i></p> <p>The PS operator should check the request from the PDO and identify the type of request: information request, reimbursement or stop payment.</p> <p>If the information is insufficient to proceed with the inquiry process (lack of information) or the transaction cannot be retrieved from the information system, the process should continue with step 07.</p> <p>If the transaction can be retrieved and the information is sufficient to respond to the request, the process continues with step 05; if not, go to the next step (03).</p>
03	PS	<p><i>Gathering of additional information</i></p> <p>The PS operator copies the relevant transaction information from the information system and checks where the information can be found: post office or own archives.</p> <p>If the information required is at the post office level, the CC operator contacts the PO (step 04); if in own archives, the operator searches for the information in the middle-office archives and proceeds with step 05, provided that no additional information is needed.</p>
04	PS PO	<p><i>Post office information</i></p> <p>PS operator contacts the post office by e-mail or telephone.</p> <p>The request should include all relevant transaction information: transaction number, name and address of sender and beneficiary, amount and claim/information requested/needed: payout date, etc. The PO should respond within the defined time frame (not exceeding the overall time limits stipulated in the UPU PPS quality of service standards defined by the Postransfer Group).</p> <p>Once the response has been provided by the PO, the PS operator:</p> <ul style="list-style-type: none"> <li>– prepares a response for the requester by proceeding to step 05, provided the PO's response is satisfactory;</li> <li>– contacts the PO for additional information (step 03) if the information provided is not satisfactory;</li> <li>– Reminds the PO of the need to respond if the time limit for responding is exceeded (step 03).</li> </ul>
05	PS PDO	<p><i>Response to the requester</i></p> <p>Upon receipt of the retrieved transaction information, a final response can be provided to the PDO by the same means (letter, e-mail, fax, FEIS) as that in which the original request was received.</p> <p>The process continues with step 06.</p>
06	PS	<p><i>Request finalized</i></p> <p>The PS operator registers the transaction in the daily activity sheet.</p>

<i>Steps</i>	<i>Actors</i>	<i>Actions</i>
07	PS PDO	<p><i>Request abandoned</i></p> <p>The PS operator informs the requesting PDO that the information provided is not sufficient for retrieving information.</p> <p>The PS operator archives the request and registers the request in the daily activity sheet.</p>

6.4 *Control service procedures (reconciliation, settlement)*

6.4.1 *Call centre*

6.4.1.1 *Call centre operator*

At the end of the shift or day, the CC operator reconciles all the operations registered in the daily activity sheet with all the support documents received from post offices or own information (gathered during telephone support to post office) and the reports generated by the PPS information system.

Any discrepancies should be resolved immediately either by the operator's own means or with the help of the other parties (PS, post office, etc.). The corrective measures should be fully documented for tracing purposes.

For CC's operating with the support of fully automated back-office systems, reconciliations can be done automatically and only exceptions need be analyzed and handled as described above.

The operator's end-of-day report should be integrated into the CC's end-of-day report, and a summary of all the transactions handled should be provided by type of transaction (issue of PPS, payouts, reimbursements, stop payments, etc.) as well as any corrective measures taken.

6.4.1.2 *Call centre*

The PS should be provided with CC reports on behalf of manual post offices (customer support, etc., implying financial events).

The reports (daily CC report, operator's report) should be archived appropriately.

6.4.2 *Payment services centre*

6.4.2.1 *Operator*

At the end of the shift or day, the PS operator should reconcile all its operations registered in the daily activity sheet with all support documents received from post offices, CC and partner DOs, own information gathered during telephone support to post office, and the reports generated by the PPS information system.

Any discrepancies should be resolved immediately either by the operator's own means or with the help of the other parties (post office, partner DOs, etc.). The corrective measures should be fully documented for tracing purposes.

For fully automated payment service centres operating with the support of back-office systems, reconciliations can be done automatically and only exceptions need be analyzed and handled as described above.

The operator's end-of-day report should be integrated into the PS's end-of-day report, and a summary of all the transactions handled should be provided by type of transaction (reimbursements, stop payments, etc.) as well as any corrective measures taken.

#### 6.4.2.2 Reconciliation of transactions

As described above, the PS is responsible for the operational reconciliation of all PPS transactions.

This activity is carried out on a daily basis in respect of all the previous day's transactions.

It includes the following steps:

- Reconciliation of all transactions made by manual post offices, checking the information system reports with the end-of-day reports of the post offices and supporting documents provided. This information should also be checked with the correspondent CC reports.
- Reconciliation of the information system reports with the reports received from automated, online post offices. The reconciliation should also include the activities of automated post offices operating as manual post offices for short periods of time.

Any discrepancies should be resolved immediately, either by the operator's own means or with the help of the other parties (post office, partner DOs, etc.). The corrective measures should be fully documented for tracing purposes.

A final report should be produced and sent to the accounting services for correct booking into the organization's accounting system.

#### 6.4.2.3 Partner designated operator agreements and testing

The PS is also responsible for the operational management and testing of agreements with PDOs.

The PS operator should incorporate new agreements in the PPS information system and update them when any changes are reported.

The PS operator should perform the necessary tests before setting up new corridors (agreements with PDOs). These tests should be supported by the IT department in order to avoid configuration or other IT problems.

A testing period and plan should be agreed with the other party as early as possible to avoid any delays. The plan should include the support contacts (PDO, IT staff, etc.).

### 6.5 *AML/CFT handling procedures*

The middle office, in coordination with the compliance monitoring unit, should also ensure that AML/CFT rules and procedures are observed for all PPS and at all levels.

This involves:

- checking of sender/beneficiary information (name, address, etc.) and ID;
- validation against existing lists of suspicious persons and entities;
- checking of transaction information, such as exceeding of daily, weekly or monthly limits per individual;
- checking for extraordinary increases in transaction volumes by one or several individuals;
- reasons given for transactions by customers (if applicable).

In conformity with the internal organization of the DO, the middle-office PS should prepare and periodically send to the relevant supervisory bodies (government authority, central bank, etc.) the report on transactions performed, in accordance with the applicable national legislation.

Special care should be taken to report any suspicious transactions to the supervisory authorities responsible for the organization.

#### 6.6 *Operational manuals/procedures*

All middle-office procedures should be carefully and accurately included in procedural manuals and distributed to all middle-office staff.

The middle-office procedures should be reviewed, at least twice a year, or whenever changes to any PPS are made.

The procedures described in this manual can be used as a basis for detailing the middle-office procedures to be developed.

#### 6.7 *Middle-office training*

Training materials for middle-office staff should be prepared on the basis of the existing middle-office procedures and the PPS offered.

All middle-office staff should be trained without exception.

According to the difficulties experienced by staff in providing middle-office services to post offices, customers and partners, specific training should be provided immediately.

#### 6.8 *Backup procedures (contingency)*

All middle-office procedures should be carefully and accurately included in procedural manuals and distributed to all middle-office staff. These manuals should also contain backup or contingency procedures describing what to do when systems are disrupted and/or locations are unavailable.

As such, the contingency planning should detail the procedures to be followed when:

- automated or online post offices are temporarily disconnected (fall back procedure as manual post office and party responsible for restoring the normal situation);
- middle-office systems are temporarily unavailable (who to contact and how to inform third parties, post offices, PDOs, etc.);
- middle-office facilities have been damaged by fire, floods, etc. (who to inform and what to do if the matter cannot be resolved within a few hours).

The procedures described in this manual can be used as a basis for detailing the middle-office contingency procedures to be developed.



## 7 Quality of service

The quality of service is the level of quality that the DO aims to provide to its customers. Quality of service must be put into practice via defined and pragmatic standards and/or norms.

The PPS quality of service standards to be put into practice are:

- Accessibility by type of service;
- Efficiency of the service;
- Development of the service;
- On-time processing of inquiries;
- Customer satisfaction;
- Total pay-out time;
- Total transmission time.

Further description of the above standards, together with key performance indicators (KPIs), is provided in section 7.4.

### 7.1 *Incident reporting, treatment and follow-up, and collection of information*

Quality of service management is based on incident management, including the implementation of:

- remedial actions (immediate response to incidents);
- corrective and preventive actions (process optimization).

Incident management is usually followed by post-incident analysis to determine how the incident occurred despite the precautions and controls in place.

An Excel spreadsheet can be used as an initial support tool (example presented in Annex 1 – Incident reporting).

The following incident management process should be applied:

- incident identification;
- incident logging;
- incident prioritization;
- initial investigation and diagnosis;
- assignment or escalation;
- resolution;
- closure.

### 7.2 *Continuous improvement*

Continuous improvement is defined as structural research of best performance in all activities of a DO in order to improve processes in a sustainable manner. Continuous improvement depends on the DO's ability to respond quickly and be proactive. Its concept may be illustrated as a PDCA cycle:

- Plan (e.g. risk mapping, roadmap, market research);
- Do (e.g. processes, procedures, communication, customer relations);

- Check (e.g. activity-monitoring indicators; internal control);
- Adjust (e.g. follow the roadmap, implement corrective actions and preventive actions).

Input from incident reporting can be beneficial.

Two types of continuous improvement should be distinguished:

- Exceptional improvements: often occur suddenly and give rise to opportunities for spectacular development. It is usually the work of one person (or a very small group), who proposes a new product, service or working method, or new technology to solve an old problem;
- Gradual improvements: less spectacular and realized by more people making small, but progressive and constant, steps forward over a long period of time.

### 7.3 *Daily follow-up of quality standards and services*

For the purpose of development and implementation of the necessary actions to provide a quality service that meets the needs of partners and customers, daily quality supervision of the service should be performed.

It is recommended that the UPU Quality Control System (QCS) be implemented to support DOs in producing daily, weekly and monthly dashboards, both per office and per partner. It is important to appoint a person responsible for operating the system as well as a person responsible for managing the related electronic mailbox.

A dashboard is a visual display of the most important information needed to achieve one or more objectives, consolidated and arranged on a single screen so the information can be monitored at a glance:

- All the visualizations fit on a single computer screen;
- It shows the most important performance indicators/measures to be monitored;
- Interactivity, such as filtering and drill-down, can be used;
- It is not designed solely for executives, but rather for use by the general workforce as an effective dashboard is easy to understand and use;
- The displayed data is automatically updated without any assistance from the user (the frequency of the update will vary by organization and by purpose; the data of the most effective dashboards is updated once a day).

Example of a dashboard

INDICATEURS DE PERFORMANCE				
Chiffres cumulés sur l'année				
déc-15				
décembre 2015				
Evolution 15-14				
<b>Indicateur 1</b>	<b>Suivi des délais de paiement</b>	<b>p 384</b>		
<b>1a : Nombre des mandats payés</b>				
	Pourcentage de mandats payés en moins de 2 jours	62,8%	54,6%	8,2pt
	Pourcentage de mandats payés entre 3 et 4 jours	14,5%	18,1%	-3,6pt
	Pourcentage de mandats payés à plus de 4 jours	22,7%	27,2%	-4,5pt
<b>1b : Nombre des mandats émis et payés par les partenaires</b>				
	Pourcentage de mandats payés en moins de 2 jours	54,7%	53,2%	1,5pt
	Pourcentage de mandats payés entre 3 et 4 jours	21,5%	24,8%	-3,3pt
	Pourcentage de mandats payés à plus de 4 jours	23,9%	22,1%	1,8pt
<b>Indicateur 2</b>	<b>Taux de service rendu</b>	<b>p 546</b>		
<b>2a : Nombre de mandats reçus</b>				
	Pourcentage de mandats payés	93,1%	97,0%	-3,9pt
<b>2b : Nombre de mandats émis</b>				
	Pourcentage de mandats payés	95,3%	97,4%	-2,1pt
<b>Indicateur 3</b>	<b>Taux d'oppositions traitées dans un délai inférieur à 2 jours</b>	<b>p 7</b>		
<b>Nombre de demandes d'oppositions reçues</b>				
	Pourcentage de demandes traitées en moins de 2 jours	165	93	77,4%
		96,4%	95,7%	0,7pt
<b>Nombre de demandes d'oppositions émises</b>				
	Pourcentage de demandes traitées en moins de 2 jours	108	112	-3,6%
		61,1%	53,6%	7,5pt
INDICATEURS DE QUALITE				
Chiffres cumulés sur l'année				
Année 2013				
Année 2012				
Evolution 13-12				
<b>Indic. 1</b>	<b>Nombre de connexions journalières</b>	<b>p 8</b>		
	mois le plus fort	66	271	-75,6%
	mois le plus faible	octobre	283	
		novembre	66	
<b>Indic. 2</b>	<b>Taux de fichiers en rejet et répétés</b>	<b>p 8</b>		
<b>Nombre de fichiers en réception</b>				
	taux de rejet	4 821	5 197	-7,2%
		0,2%	0,2%	0,0pt
<b>Nombre de fichiers en émission</b>				
	taux de rejet	2 395	2 346	2,1%
		1,4%	0,5%	0,9pt

7.4 Analysis of existing information

In the context of quality of service, a number of KPIs should be analyzed by DOs. The provision of these KPIs should be supported by the UPU QCS.

The analysis should be based on the following quality of service standards:

- Accessibility by type of service: Number of postal contact points providing the type of service/total number of postal contact points.

When the threshold set by the relevant UPU bodies is not met and/or if the indicator's value systematically decreases, this should be a signal for the DO/government to review their postal network and PPS development strategy. Low KPIs may also imply underinvestment in the IT and connectivity environment.

- Efficiency of the service: Number of money orders paid by country of destination/number of money orders issued by partner countries.

Please note that these ratios should be based on the validity period of the electronic postal payment orders, and not on a consecutive period.

The adverse value of this KPI may discourage other DOs from initiating/developing PPS in a given direction; therefore, it is important to review and verify the efficiency of transmission processes, return procedures (check that they are not too strict and that the prior request for additional information can be exchanged with the partner DO) and the delivery phase (check and improve procedures for notifying beneficiaries, including implementation of notification by e-mail or SMS). On the other hand, the negative result of measurement of this KPI may be a reflection of abnormalities on the sending side, i.e. improper collection, transmission and/or formatting of the data necessary for efficient processing and delivery.

- Development of the service: Number of money orders issued in month (m) in year (n) – Number of money orders issued in month (m) in year (n-1)/number of money orders issued in month (m) in year (n-1).

The decrease or stagnation in the value of this KPI indicates the need to review the positioning of the respective PPS (relation of speed and reliability of the service to its pricing), as well as the internal and external communication policy (check if the staff are properly informed about the service; consider carrying out a mystery customer survey; check if the information on PPS is available/appropriately displayed at post offices and on the DO's website; consider an advertising campaign, even a low cost one, through specialized periodicals/leaflets/portals for national minorities, tourists, foreign trade centres, etc.).

For the assessment, the DO should take into consideration external factors, such as market changes due to new players or new channels, changes in competitors' service offering (new prices or temporary promotion, faster service, broad/aggressive campaign), as well as customer-related changes (new migratory flows).

- On-time processing of inquiries: Number of inquiries processed within the deadlines set by the UPU/total number of inquiries.

If the value of this indicator is low (below the threshold set by the Postransfer Group), the respective DO is expected to review and verify its process of rendering the inquiries, both internal (communication between post offices and inquiry centre) and external, with foreign DOs. The influence of the performance of the communication channels used should also be checked (electronic system used, e.g. FEIS; exchange by ordinary mail; reduction of paper-based processing).

- Customer satisfaction:

- Number of inquiries raised/total number of money orders issued;
- Number of inquiries received/total number of money orders received.

The high rate of this KPI is a reflection of the poor quality of service provided by the DO in question.

The responsible institution should investigate and check its internal procedures (processing, transmission, delivery phase), that the IT/connectivity solutions in place are efficient and reliable, and should consider the possibility of eliminating (or at least reducing) paper-based processing. Another area for investigation is the possible improvement of communication with beneficiaries (by e-mail or SMS), but also with sending DOs. On the other hand, the negative measurement of this KPI may be a reflection of abnormalities on the sending side, i.e. improper collection, transmission and/or formatting of the data necessary for efficient processing and delivery.

If the quality problems tend to be long-lasting, the sending DO should revise the conditions of the service provided to customers (increased declared/guaranteed delivery times).

- Total pay-out time: Number of money orders paid within the set time frame by the destination DO/number of money orders sent by the sending DO to the destination DO.

As in the case of customer satisfaction described above, the adverse value of this KPI (low rate) reflects the insufficient quality of service provided by the DO concerned.

To improve this KPI, it is strongly recommended that the responsible institution investigate and check its internal procedures (processing, transmission, delivery phase), that the IT/connectivity solutions in place are efficient and reliable, and that it consider the possibility of eliminating (or at least reducing) paper-based processing. Another area for investigation is the possible improvement of communication with beneficiaries (by e-mail or SMS), but also with sending DOs. On the other hand, the negative measurement of this KPI may be a reflection of abnormalities on the sending side, i.e. improper collection, transmission and/or formatting of the data necessary for efficient processing and delivery.

If the quality problems tend to be long-lasting, the sending DO should revise the conditions of the service provided to customers (increased declared/guaranteed delivery times).

- Total transmission time: Number of money orders transmitted in time/total number of money orders transmitted.

A low value reflects the inadequacy of the quality of services offered by the DO concerned.

To improve this KPI, it is strongly recommended that the sending institution investigate and check its internal procedures (processing, transmission) and that the IT/connectivity solutions in place be efficient and reliable.

A detailed description of quality of service measurement is provided in the UPU document concerning the applicable PPS quality of service standards.

#### 7.5 *Information dissemination throughout the organization*

The purpose of disseminating information is to ensure that the information resulting from processing is provided to relevant recipients, in line with their needs.

The information must be disseminated in a timely manner by all available means (paper circulars, electronic mail, internal mail, fax, etc.).

In this regard, all the Post's PPS players should be included: management, operational units, marketing, etc., in accordance with the Post's structure and the PPS project team.

At least a monthly report on the evolution of PPS (KPIs referred to in point 7.4, as well as any non-quality issues and their corrective measures and deadlines) should be provided. Any new activities, such as new partners, new promotional campaigns, etc., should also be part of this reporting.

The project team should meet periodically to discuss all PPS-related issues. In case of problems, the team should meet more often until the issue is solved.

#### 7.6 *Exchange of best practices*

A best practice is a method or technique that has been generally accepted as superior to any alternatives because it produces results that are superior to those achieved by other means or because it has become a standard way of realization.

Benefits of sharing best practices:

- replication of successes throughout the organization;
- raising of overall quality of service;
- avoidance of duplication of efforts or "reinventing the wheel";
- minimization of the time devoted to redoing poor quality work;
- cost savings through increased productivity and efficiency.

To be considered a best practice, a method or technique should:

- demonstrate evidence of success;
- affect important issues (e.g. contribute to the organization's mission or goals);
- have the potential to be replicated or adapted to other situations.

The following are factors behind the creation of a supportive environment to ensure the successful implementation of best practices:

- competent people – to facilitate identification and sharing of internal best practices;

- adapted processes and tools – designed to share knowledge through reports, electronic discussions and face-to-face meetings;
- commitment of all – to devote the time needed to identify, document and share best practices.

The following are key steps in identifying and sharing best practices:

- assign a team or coordinator to establish routine procedures for identifying successes within an organization;
- identify which practices account for the success;
- document the description of best practices and maintain a central repository;
- design and carry out a strategic plan to share knowledge about best practices with the potential users who can most benefit from them;
- adapt and apply best practices in the new environments, which may be different than in the place where the practice was first developed.

### *7.7 Quality of service training*

Quality of service training should be periodically organized by DOs. If justified, a UPU consultant could be hired for a training mission.

The aim of quality of service training is that the DO should acquire the ability to:

- develop and implement the actions necessary for the provision of quality service in line with the needs of partners and customers;
- implement service quality standards for electronic PPS;
- implement the UPU quality indicators;
- use QCS on a regular basis;
- monitor service quality;
- provide simple procedures;
- train staff in the use of QCS;
- structure the dashboards for follow-up of indicators.

**8 Accounting and settlement**

Settlements between DOs can be carried out via bilateral agreement or via the UPU's PPS\*Clearing system, a central clearing house that offers multilateral settlement.

The rules and procedures relating to bilateral settlement (methods of settlement, general and monthly accounts, liaison accounts) are described in detail in the Postal Payment Services Agreement (article 25, "Settlement and clearing") and its Regulations (article RP 2502, "Bilateral settlement").

PPS\*Clearing, a clearing system solution open to all UPU members, was launched in 2012 to facilitate and secure settlements between DOs.

This automated solution generates and consolidates bilateral invoices, and calculates net positions for each DO. The payments from net debtors to net creditors are carried out via the settlement provider on a weekly basis, in a secure and confidential environment and using the daily exchange rates supplied by a common, reliable exchange rate provider.

The detailed procedures relating to centralized settlement are explained in the PPS\*Clearing Guide.

The middle office, described in chapter 6, should be the DO unit responsible for performing settlements resulting from the international exchange of postal payment services.

## 9 Risks – internal controls

Risk can be defined as the "effect of uncertainty on objectives" and is often characterized by reference to potential events and/or consequences. Risk is often expressed in terms of a combination of the consequences of an event (including changes in circumstances) and the associated likelihood of occurrence.

The risk management process should be an integral part of management, embedded in the organization's culture and practices and tailored to its business processes. It may be engineered in alignment with the PDCA cycle discussed in chapter 7.2 of this guide:

- Plan: Identify and map risks;
- Do: Devise and implement control measures;
- Check: Monitor risks – collect monitoring data, perform audits;
- Adjust: Conduct an annual risk review, modify control measures.

### 9.1 Operational risk

Operational risk is defined as the risk of direct or indirect loss caused by:

- Inadequate or unsuccessful internal procedures: payment or settlement failures, documentation not fit for purpose, errors in valuation/pricing models and processes, project management failures, internal/external reporting, (mis)selling;
- Inadequate or unsuccessful internal human factors: fraud, breach of employment law, unauthorized activity, loss or lack of key personnel, inadequate training, inadequate supervision;
- Inadequate or unsuccessful internal systems: failures during the system development and implementation process, failures of the systems themselves, inadequate resources;
- External events: external crime, outsourcing risk, natural and other disasters, regulatory risk, political risk, utility failures, competition.

To meet the organization's reporting needs, the following seven categories of operational risk events can be distinguished:

- Internal fraud: e.g. intentional misreporting of positions, employee theft, and insider trading on employee's own account;
- External fraud: e.g. losses resulting from acts, by a third party, of a type intended to defraud, misappropriate property, or circumvent the law;
- Employment practices and workplace safety: e.g. workers compensation claims, violation of employee health and safety rules, organized labour activities, discrimination claims, and general liability;
- Clients, products and business practices: e.g. fiduciary breaches, misuse of confidential customer information, improper trading activities on the company's account, money laundering, and sale of unauthorized products;
- Damage to physical assets: e.g. terrorism, vandalism, earthquakes, fires, and floods;
- Business disruption and system failures: e.g. hardware and software failures, telecommunication problems, and utility outages;
- Execution, delivery and process management: e.g. losses from failures related to transaction processing (such as data entry errors) or process management (such as incomplete legal documentation), or from relations with business counterparties (e.g. disputes).

It is strongly recommended that DOs put in place policies and procedures to identify, assess, monitor, control and mitigate operational risk. In particular, the following critical elements should be covered:

- Suitability of policies and procedures;



- Role of top and senior management in overseeing the operational risk framework;
- Assignment of a clear set of duties to an individual responsible for overseeing operational risk;
- Periodic validation and independent review (e.g. by internal audit);
- Monitoring and reporting.

DOs must also ensure that their operational risk policies and procedures are regularly reviewed by top and senior management and adjusted when necessary in accordance with changes in the risk profile and changes on the external market.

### 9.2 Segregation of duties

Segregation of duties is one of the key concepts in placing internal controls over a DO's assets. The goal is to ensure that no single individual has control over two or more conflicting sensitive operations.

The two key purposes of segregation of duties are:

- Ensuring oversight and review to catch errors;
- Preventing fraud or theft (two people would need to collude in order to hide a transaction).

Within the segregation of duties policy, the following three main functions must be separated by having them conducted by different employees:

- Holding custody of assets;
- Ability to authorize the use of assets;
- Recordkeeping of assets.

In the event that a DO is unable to put in place adequate preventative internal controls, including segregation of duties, it is important to implement a compensating control. An example of this could be increased periodic oversight by a supervising unit or by top management.

### 9.3 Risk-based internal auditing

Although management is responsible for identifying and managing risks, it is the role of the internal audit unit to provide assurance to top management that risk management processes are working effectively.

Given that each DO operates under a different structure, uses different processes, and has different attitudes toward risk, the risk-based internal auditing must be adapted accordingly.

Should risk-based internal auditing be new to a DO, it is the role of the head of internal audit to market the concept to management.

There are three stages of implementation and ongoing operation of risk-based internal auditing:

- 1 Assessing risk maturity: evaluating the extent to which top management determines, assesses, manages and monitors risks. This makes it possible to determine the reliability of the risk registry for audit planning purposes.
- 2 Periodic audit planning: establishing a specific audit period (most often yearly), and identifying and prioritizing all areas for which top management requires the application of risk management processes, the management of key risks, and the recording and reporting of risks.
- 3 Individual audit assignments: carrying out individual risk-based assignments on the basis of the risk management framework, including the mitigation of individual or groups of risks.

Risk-based internal auditing should enable the internal audit unit to come to the following conclusions:

- Management has identified, assessed and responded to the risks;
- The responses to risks are effective;
- Where residual risks are not in line with the risk appetite, action is being taken to remedy the situation;
- Risk management processes are being monitored by management to ensure they continue to operate effectively;
- Risks, responses and actions are being properly classified and reported.

## 10 Contingency plans

For any quality electronic postal payment service, contingency plans should be created and distributed throughout the organization in order to minimize any disruptive incident and keep services working regardless of any situation that might occur.

Although contingency plans are common for IT or network-related issues, other situations must also be considered. Services might be disrupted for reasons other than those of a physical or architectural nature, such as natural disasters affecting the whole organization or resource-related issues (lack of supporting materials, unavailability of staff, etc.).

As a result, special attention and care should be given to the creation, dissemination and updating of the contingency plan. The existence and level of completeness of the plan could make all the difference between a good or a bad service from the customer's perspective.

Furthermore, the scrupulous preparation of a contingency plan often helps to identify weaknesses which can be addressed immediately at low organizational cost and, as a result, prevent disruptive occurrences.

Last but not least, the contingency plan should also take account of the reporting of resolved incidents, examining the solution used and ensuring detailed reporting for subsequent analysis so that any necessary corrective measures can be taken to prevent or minimize any new occurrence in the future.

### 10.1 Physical incidents

A contingency plan that provides for any incident affecting PPS operations should be developed and maintained, addressing each entity or unit involved and answering the questions of what to do and whom to contact.

For physical incidents, detailed information should be developed in case of:

- natural disasters (storms, floods, etc.) affecting the premises;
- disruption of services provided by external suppliers (power supply, telecommunications, etc.);
- disruption of services provided or managed by the organization (IT, network, etc.);

For each of those incidents, detailed information should be provided on:

- immediate measures to be undertaken without involving other parties;
- contact details of the parties to be contacted.

### 10.2 Technical incidents

As electronic postal payment services are dependent on the IT systems supporting the transactions, the availability of those systems is crucial to ensure quality service.

In this regard, the production systems should be backed up by a contingency system in case of any failure or disruption. The test systems could be used as fall-back systems in such cases.

The IT contingency plan should include:

- back-up and maintenance services;
- fall-back facilities and network;
- procedures for maintaining the systems and alerts;

- detailed procedures for all types of incidents which could affect the availability of systems, such as floods, fire, network downtimes, system failures, etc.;
- detailed information, disclosed to all relevant staff, on who to contact in case of any failure.

Please refer to the latest IFS 4.xx security handbook for basic information on maintaining the system.

### *10.3 Incident management and treatment*

An important part of any contingency plan is incident management. Incidents, as described above, vary in terms of level, severity, and so on and should be channelled as soon as possible to the proper unit able to undertake the necessary corrective measures.

Each organization should consider designating a particular unit responsible for the management of contingencies and contingency plans.

As noted earlier, contingency planning does not end with the preparation of plans and the identification of measures to take in a given situation. Contingency planning should also include a post-analysis of any incident reports received in order to study the situation and identify any corrective measures to be taken by the organization to prevent, or at least minimize, any future occurrence.

11.1 Incident reporting

No.	Incident ID	Status	Date/Time		Ref No. of PPS affected	Priority	Name of incident	Description	Precautions in use (identifying any weak points)	Remedial actions taken	Suggested corrective and preventive actions
			Opening	Closure							