

RESALE OUTLET SALES AND OPERATING GUIDELINES

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1. GENERAL

- 1.01 This instruction provides guidelines to be used by the Logistics District within Procurement Services for operating Southwestern Bell Telephone Company's Resale Outlet which handles sales of retired, surplus, and obsolete material. This practice also provides information about the functions involved in maintaining this operation. The Resale Outlet is located at 100 Ezell in Desoto, Texas.
- 1.02 This practice has been reissued to include changes that have occurred related to streamlining Resale Outlet operations. For example, Returned Material Notices (FASW-6381s) are no longer processed. Also, the method of allocating salvage credit has changed. When this instruction is reissued, the reason(s) for reissue will be listed in this section.
- 1.03 This practice covers operating procedures for the Resale Store, and provides a description of those functions required for its operation such as: the receipt of material, the sales processes involved, and the management of associated functions.
- 1.04 Sales of central office equipment (COE) are handled as per guidelines in SW747-100-901, Sales of Company Property Outside of Southwestern Bell Telephone Company. Other detailed information related to sales and the processing of sales transactions may be found in SW747-111-917, Logistics Accounting and Administration for Disposition of Company Material.
- 1.05 The goal of the Logistics District in operating and maintaining a resale outlet is to receive surplus and obsolete material via economic distribution channels and to dispose of this material via sales. Hours of operation for the Resale Outlet are established by the Manager-Store Operations and the Area Manager-Disposition Operations.

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**2. RESPONSIBILITIES**

- 2.01 The responsibilities of the Logistics District related to store operations include the following:
- (a) Selling surplus, obsolete, and reusable material to the general public, authorized vendors, and refurbishers;
  - (b) Refurbishing select material or equipment prior to sales (when applicable);
  - (c) Maintaining an effective records keeping system which contains documentation of sales made at the Resale Outlet;
  - (d) Processing paperwork associated with sales transactions in a timely manner;
  - (e) Engaging in effective marketing efforts for the sale of material and ensuring that sound decisions are made regarding the sale or disposal of material received;
  - (f) Coordinating with the Materials Distribution Center (MDC), the Material Reprocessing and Consolidation (MARC) Center, and field personnel to ensure optimum disposition occurs;
  - (g) Tracking expenses associated with the Resale Outlet. Tracking of expenses is the responsibility of the Manager-Store Operations. Included in this tracking will be the clerical time used to operate cashier positions and also any expenses related to contract labor used in conjunction with store operations. This time is charged to the responsibility code of the Manager-Store Operations.

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- 2.02 Employees within Logistics must maintain legal and ethical standards as set forth in Southwestern Bell Telephone Company's booklet entitled, A Code of Business Conduct. In compliance with these standards, all personnel (including contract labor) who work at any disposition facility MAY NOT purchase material held for sale at the Resale Outlet or from any location which is under the control of Logistics.
- 2.03 All departments requiring disposition of material shall adhere to directives as established within Operating Practice No. 123, Disposition Services Policy and Procedures.

3. RECEIPT OF MATERIAL

- 3.01 Material sent to the Resale Outlet is received from the Materials Distribution Center (MDC) and the Material Reprocessing and Consolidation (MARC) Center. Some material may be received directly from field locations when directed or approved by the Manager-Store Operations or the Manager-Reuse Sales.
- 3.02 Materials received at the Resale Outlet are not inventoried. To inventory material such as nuts, bolts, tape, clamps, etc., is too labor intensive. Other material such as printers, monitors, communications equipment, test sets are often sold in bulk and are not tracked individually. Salvage credit for returned material is given at the time the materials are sold. Salvage credit issued for material sold is prorated to the states with credit given to the predominant capital accounts (Coin, Data equipment, Telephone apparatus, and Tools). The prorate to each state is based on the value of shipments (investment allocation) of material delivered to the various states.

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- 3.03 The Disposition Operations Control Center within Logistics performs functions related to the administration and accounting of activities conducted under the direction of Logistics. Such activities include: invoicing, bill payment processing, issuing salvage credits, and reconciling the Equipment and Material Salvage Account (1220.193).
- 3.04 Material received at the Resale Outlet may come from one of the following sources:
- (a) Stock or non-stock materials returned to the MDC as specified in Southwestern Bell Telephone Practices SW745-011-901, Returning Non-stocked Material Returned Material Notice, FA Form FASW-6381, and SW745-011-902, Returning Stock Material;
  - (b) Material received at the MDC which will not be re-stocked, material above keep level quantities, and material no longer needed by the company;
  - (c) Other surplus or obsolete material provided by user groups to the Logistics District for sale or disposal such as furniture, computers, or office equipment; and
  - (d) Material that is classified as junk (defective or unrepairable).
- 3.05 Material handled by the Resale Outlet generally consisting of:
- (a) Miscellaneous test equipment or components of such equipment;
  - (b) Station apparatus (i.e., customer premises equipment) or components which include telephone sets, housings, cords, jacks, data sets, teletype equipment, etc;
- Note: Customer Premises Equipment (CPE) MUST NOT BE SOLD to Carriers of telecommunications services.

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- (c) Miscellaneous items such as tools, hardware, household items, construction material, etc;
- (d) Furniture, office equipment, other material released to Logistics for disposition;
- (e) Retired computer equipment; and
- (f) Retired company motor vehicles.

3.06 Material (e.g., furniture) not economically feasible to ship to the Resale Outlet should be disposed of or sold from the location where that material is located. When such disposition is required, it is accomplished in conjunction with the Manager-Reuse Sales.

#### 4. PROCESSING OF MATERIAL

- 4.01 After material is received, it is processed or staged according to the activity required. For example, materials selected for the front display area of the Resale Outlet are placed directly onto shelves within the store's display area. Bulk items or products not easily marketable are placed in the warehouse area of the store to be sold in volume or large quantities. Material which will be refurbished or handled uniquely (e.g., coin equipment) will be placed in a specific area for processing. Coin sets are disassembled and piece parts are placed in gaylord boxes for subsequent sales to coin vendors.
- 4.02 Refurbishing of material involves enhancing material to obtain a better value for the material. Typically, it is not economically feasible to refurbish materials. Decisions regarding refurbishing are made by the Manager-Store Operations and the Area Manager-Disposition Operations.

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- 4.03 Prices for individual products at the Resale Outlet are established by the Manager-Store Operations and the Manager-Reuse Sales. Prices are based on historical data, current market prices, or at prices the market will bear. Historical information exists in the form of completed Bills of Sale and contracts.
- 4.04 When materials at the Resale Outlet are not marketable, such products will be sold for scrap value. Selling material for scrap value means selling material for its intrinsic value as a metal. Material containing no scrap value will be discarded locally.
- 4.05 The scrapping procedure will consist of transferring material having salvage value to the MARC Center.
- 4.06 The Resale Outlet also supports a microfiche shredding operation. While the company is moving toward eliminating the use of microfiche, it is still being used in some areas. This service offering of destroying microfiche is currently available on a company-wide basis.

- (a) Microfiche to be destroyed should be sent via company mail to the following address:

Microfiche For Destruction  
100 Ezell  
Desoto, Texas 75115

**NOTE: THIS LOCATION IS NOT A PAPER RECYCLING FACILITY.** Paper destined for recycling should not be mailed to this facility.

- (b) Operating Practice 47, Records Retention, provides more detailed information about the company's recycling effort.

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5. SALES METHODS

5.01 Sales of retired surplus or obsolete material made by Logistics personnel are conducted by using one of the following methods:

- (a) Competitive Bidding;
- (b) Single Source Negotiations; or
- (c) Competitive Quoting.

5.02 The concepts for the sales methods listed in 5.01 are described in more detail in Operating Practice No. 123, Disposition Services Policy and Procedures. Sales conducted from the Resale Outlet are made as a result of Competitive Quoting. This process of selling involves Logistics sales personnel making a statement of a price for retired material as an offer to sell to prospective buyers. Material is then sold at the price quoted to buyers on a first come, first served basis.

5.03 Sales activities at the Resale Outlet basically include pricing and selling material to the general public. However, other sales efforts may be required of the Manager-Store Operations such as advertising or direct marketing. Following are some guidelines in handling customer traffic:

- (a) Handling Walk-in Customer Traffic - The Manager-Store Operations is accountable for ensuring that walk-in customer traffic and customer incoming calls are handled properly.
- (b) The process for handling walk-in traffic is as follows:
  - (1) Greet the customer in a cordial manner;
  - (2) Provide assistance in locating material and responding to questions as necessary;
  - (3) Close the sale;

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- (4) Provide a cash register receipt and a bill of sale for each sales transaction. (Material at the Resale Outlet is sold "As Is - Where Is" with no warranties);
  - (5) Receive payments and give change as necessary; and
  - (6) Thank the customer for the purchase.
- (c) A Customer Clerk supervised by the Manager-Store Operations may perform the following: summarize all sales transactions on a Sales Tally Sheet, balance monies received against sales receipts, and other duties related to operating the Resale Outlet.

6. FLOW OF SALES AT THE RESALE OUTLET

- 6.01 This section outlines the sales process and the handling of associated sales transactions at the Resale Outlet. This information covers the flow of a sales transaction from the inception of the sale through the forwarding of revenues received with supporting documents to the St. Louis Treasury Department.
- 6.02 The funds used to operate the store consists of six hundred (600) dollars. These funds have been held back from receipts and are kept to operate the two (2) cash registers on store days. Should the store cease to exist, this amount will be submitted via SW4490 (See Exhibit B) as one sale and as a credit to the 1220.193 Account. The following steps outline the sales process at the Resale Outlet:
- STEP 1: A sale is made at the Resale Outlet and payment is received from the customer. Taxes are collected on all sales of tangible property by Logistics. A customer is exempted from paying tax if the customer can show proof of a tax exempt status or Logistics has on file a copy of the customer's tax exemption certificate. The Resale Outlet will retain copies of tax exemption certificates when provided by customers.

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**STEP 2:** The customer is provided a sales receipt for the purchase. This receipt is actually a section of the cash register tape which shows the amount of the purchase plus the sales tax. A copy of the Bill of Sale (SW2005, See Exhibit A) is also completed listing the items sold. If furniture or bulky/large quantities of products are sold requiring the customer to pick-up materials at the dock, a Load Authorization Ticket (See Exhibit C) is completed. The Load Authorization Ticket plus the completed original bill of sale are evidence that the customer has paid for the material. When picking up material from the dock, the customer must show his copy of the bill of sale to personnel at the dock. Dock personnel will match the customer's copy of the bill of sale with the original bill of sale and ensure that a Load Authorization Ticket has been completed before releasing the material.

**STEP 3:** At the close of the day, payments received are separated from the working fund and a balancing operation is performed. Information about balancing can be found in Section 12.08. Balancing basically consists of totalling all sales receipts and comparing that sum with the total cash and checks received. The totals should be equal (minus the \$300 used to run the register). Overages and shortages are addressed in Sections 12.09 and 12.10 respectively. Payments received will be kept in the safe on an overnight basis.

**STEP 4:** (a) After balancing and on the following day, the cash received is taken to a local bank. The cash is converted into a cashier's check made payable to Southwestern Bell Telephone Company. Reimbursement for the cost of the cashier's check is made by FASW-4471A (Exhibit D), and approved by the Area Manager-Disposition Operations. This amount is charged to the responsibility code which incurred the expense.

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- (b) Once the cashier's check is received, a Sales Tally Sheet (See Exhibit E) is completed which summarizes and provides a total of all sales activity for that day. Information included in this summary consists of: total receipts, total cash, total checks, total taxes and a grand total.
- (c) The total payments are forwarded to the DOCC along with supporting documents (i.e., sales receipts and the completed Sales Tally Sheet).
- (d) The DOCC completes an SW4113 (Exhibit F) to issue salvage credit and an FASW-4472 (Exhibit G) to credit the 1220.193 account. An attachment is made to the pertinent FASW-4472 consisting of the names (payers) of the checks made to Southwestern Bell Telephone Company and the amounts. The completed documents are forwarded by the DOCC to the St. Louis Treasury Office.
- (e) The Treasury Office processes the transactions into DOPAC, and produces an FG85 Report monthly. The FG85 Report summarizes all debits and credits processed through the 1220.193 Account. This report is sent to the Manager-Cable Sales.

7. RE-APPLICATION OF MATERIAL WITHIN SWBT

- 7.01 This section provides information about how capital material (under the control of Logistics) may be re-applied for reuse within the Company.

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- 7.02 Material having the potential for being re-applied must be retired and pending final disposition.
- 7.03 The following steps are used for re-application of material within SWBT when retired material exists at Logistics' Resale Outlet.
- STEP 1. Material no longer needed by the company is forwarded from the Materials Distribution Center (MDC) or other SWBT location to the Resale Outlet.
- STEP 2. When a re-application program has been implemented, a list of materials having the potential for re-application are provided to Logistics. When such material is identified, it is to be held for possible reuse. A client or department desiring re-application must provide: a list of materials designated for reuse; information such as pictures and descriptions of the material; and the criteria to use in selecting material for reuse.
- STEP 3. Material received by Logistics will be identified and sorted based on the method of disposal (for example, Resale Outlet sales or re-application).
- STEP 4. Material held for re-application will be placed on shelves or stored in a designated area.
- STEP 5. A list will be developed by Logistics of the material held for re-application. A copy of this list will be forwarded as appropriate to the user. Material will be held for potential re-application for only 30 calendar days.
- STEP 6. The Manager-Store Operations will update the list of material held for re-application. For example, this position will delete material held over 30 days or add to the list any new material received for re-application.

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- STEP 7. After reviewing the list, the user will determine if any of the material held for reuse is needed. If an item from the list is needed, a telephone call will be made to the Mgr.-Store Operations to reserve the material. The user will provide the following:
- (a) Item/Description
  - (b) Shipping Address
  - (c) Contact Name/Telephone Number
  - (d) Location Code of Recipient
  - (e) Responsibility Code Originating (RCO)
- STEP 8. The Manager-Store Operations will ensure that the item requested is packaged and shipped as per instructions provided. The user is responsible for repair costs associated with the re-application.
- STEP 9. The user will complete Form S6312, Salvage and Retirement Report, (Exhibit H) and reverse retire or "Find" the equipment. This will place the equipment on the company books. The original S6312 is submitted to Finance Operations and a copy of the S6312 is forwarded to the Manager-Store Operations. Information about issuing an S6312 can be found in SW741-001-903, Disposition of Obsolete and Worn Out Major Items of Supplies, General Equipment, Tools and Test Sets.
- STEP 10. The Manager-Store Operations will check with Finance Operations (as needed) to ensure the original S6312 was submitted for re-application.

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- STEP 11. The information is entered into DOPAC and the item is transferred onto the company books and to the specific "C" Account of the user.
- STEP 12. If material held for re-application is not re-applied within 30 days, the material is disposed of via normal disposition procedures.

8. CASH HANDLING (GENERAL)

- 8.01 It is the responsibility of selected personnel at the Resale Outlet to receive, handle and process payments received from customers. Payments will generally be made over-the-counter.
- 8.02 It is the policy of the Company to safeguard funds collected and to provide protection to all employees responsible for the care of such funds. Strict observance by employees of all safeguards specified is imperative.
- 8.03 No person or employee should have access to Company funds or associated records unless duly authorized.
- 8.04 Supervisory personnel are responsible for all funds collected by employees until deposited or released to authorized carriers for deposit and for maintaining safeguarding practices.
- 8.05 Employees witnessing or suspecting any irregularity in the handling of funds are responsible for immediate reporting of the incident to supervisory personnel. Supervisory personnel in turn are responsible for notifying Security if warranted, keeping in mind that the objective is to adhere to good business practices without implying in any way a lack of confidence in the integrity of employees.

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**9. RESALE OUTLET ACCOUNTING**

- 9.01 This section covers the accounting which will be used by the DOCC in conjunction with sales at the Resale Outlet. The following steps are used for processing sales through the 1220.193 account.
- (a) After sales are made, the sales results are summarized on a Sales Tally Sheet. All supporting documents and payments along with the Sales Tally Sheet are submitted to the Manager-Cable Sales within the DOCC.
  - (b) The DOCC will issue:
    - (1) An SW4113 for each state to credit: 116X, 126X, 60X, and 888X on a prorate basis (Coin - 55%; Data - 39%; Telephone Apparatus - 5%; and Tools - 1%). The SW4113 is a credit to "X" and a debit to the 1220.193 account.  
  
Note: The SW4113 is generated via the AMIS data base.
    - (2) Completed SW4113s are forwarded to Disbursement Accounting.
  - (c) The DOCC will issue an FASW-4472 to credit the 1220.193 account. An expenditure type code (EXTC) of 637 will be used and a geographic location code of T46328 for the Resale Outlet location will be used. The Responsibility Code Originating (RCO) of the Manager-Store Operations will be used. The FASW-4472 is used when taxes are a part of the total submitted.

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(d) When an FASW-4472 is issued to process revenue received, the transaction will contain the following information:

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<u>RCC*</u>	<u>RCO</u>	<u>EXTC</u>	<u>LOCATION CODE</u>
SXXXXXXXX	Salesperson	637 (sales amount)	T46328
SXXXXXXXX	NA	CY1 (tax amount)	TT0000

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NOTE: The following Special Purpose Function Codes and Tax Codes apply to taxes on an FASW-4472:

<u>TYPE TAX</u>	<u>SPFC</u>	<u>Tax Code</u>
STATE	5DM6	T
COUNTY	5DM8	TFAB
MTA#	5DM1	TXXB

\*RCC - Responsibility Code Charged  
 #MTA - Metropolitan Transit Authority

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(e) The FASW-4472 is signed correct by the originator and approved by the appropriate manager in accordance with the Schedule of Authorizations.

9.02 All completed FASW-4472s along with payments are forwarded to the following address:

Treasury Department  
 One Bell Center, Suite 39-U-05  
 St. Louis, Missouri 63102

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10. RESALE OUTLET SAFEGUARDING GUIDELINES

- 10.01 Counter Arrangements - The customer payment counter should be of sufficient height and width to prevent anyone from jumping or reaching over the counter.
- 10.02 Alarms - The Resale Outlet is secured and monitored by an alarm system to provide a safeguard against theft or break-ins. The monitoring is performed by a security company who will also perform exterior and interior visits in the event of an alarm. Upon the discovery of or indications of an illegal entry, a representative of Southwestern Bell Telephone Company will be contacted.
- 10.03 Safe - A safe is used at the Resale Outlet to store cash or checks on an overnight basis.
- (a) The size and type of safe used at the Resale Outlet has been determined by the Manager-Store Operations based upon storage needs. All money and checks must be kept in the safe.
  - (b) The opening and closing of the safe should always be accomplished by one of the individuals listed in item (d) following and with no unauthorized personnel present. The safe should never be left unattended when unlocked.
  - (c) The combination is given only to designated employees and no written record of it is maintained at the cash register location.
  - (d) Knowledge of the safe combination should be limited to the following persons:

Manager-Store Operations  
Manager-Reuse Sales  
Area Manager-Disposition Operations

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- (e) The combination should be changed immediately after any employee who knows the combination is relieved of duties which required access to the safe.

11. MISCELLANEOUS SITUATIONS

- 11.01 Hold-ups or Robbery Attempts - The following items pertain to robbery attempts:
- (a) Employees should not resist demands for money;
  - (b) It is helpful if some mental notes are taken about the person(s) making the demands, i.e., general appearance, clothing, accent;
  - (c) Supervisors should be alerted as soon as possible to the emergency and be responsible for notifying the police;
  - (d) The scene of the crime should not be altered until the police have indicated that it is acceptable to do so; and
  - (e) Management should contact Company Security and file the preliminary report. (See Operating Practice No. 18, Reporting Losses by Theft and Malicious Damage Including Sabotage and Serious Acts of Vandalism.)
- 11.02 Foreign, Mutilated and Counterfeit Money - If foreign money is inadvertently accepted for payment, the money should be exchanged for the equivalent amount from the working fund. Foreign currency should be forwarded to the bank for conversion to U.S. currency.

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- (a) Worn or mutilated money should not be returned to a customer. Upon receipt, the cashier should place this cash under other bills of that denomination in the cash drawer and include it with the next release of cash for conversion into a cashier's check.
- (b) If it is suspected or confirmed that counterfeit money is presented, management should be alerted to notify the Federal Bureau of Investigation (FBI) or Company Security. The bill(s) should be handled as little as possible to preserve fingerprints.

12. PAYMENT HANDLING

12.01 Cash is handled as follows:

- (a) Cash must be examined to determine acceptability;
- (b) Foreign or counterfeit money is never accepted;
- (c) Money should always be counted twice; and
- (d) No credit cards are accepted at the Resale Outlet.

12.02 Throughout the day, appraisals of the cash on hand should be made. When the amount of cash exceeds the working fund by an amount determined sufficient to conduct business, the excess cash should be removed from the cash drawer and secured.

12.03 Checks are handled as follows:

- (a) Checks on foreign banks are not accepted;
- (b) Checks should be made payable to Southwestern Bell Telephone Company;
- (c) Third party checks are not accepted;

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- (d) Post-dated checks are not accepted and customer should be asked to correct the date to the current date;
- (e) Written and numerical entries for the amount of the check must agree;
- (f) Only checks with signatures should be accepted;
- (g) The check must be free of binding remarks, such as, "PAID IN FULL". Questionable notations should be referred to a supervisor;
- (h) Checks are made for amount purchase only; and
- (i) The name of the customer must be preprinted on the face of the check.

12.04 When checks are received for payment, the following information must be obtained from the customer and written on the back of the check:

- (a) Driver's license number
- (b) Telephone number
- (c) Address

NOTE: The word "TELECHECK" should be stamped on front of the check to expedite processing of checks received with insufficient funds.

12.05 Personal checks are not cashed for customers. A check verifying company has been hired to protect SWBT from the loss of revenue due to checks written when the customer has insufficient funds. Personal checks exceeding \$25.00 are not accepted for payment unless approved by the check protection service.

12.06 Checks and cash are to be forwarded to the Treasury Department along with the supporting FASW-4472. The cash is converted into a cashier's check.

12.07 Checks and Cashier's checks lost by Logistics are handled in accordance with procedures in SW 747-111-917 (Logistic Accounting and Administration for Disposition of Company Material).

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- 12.08 Balancing - This operation should take place away from the location where payments are received. The steps following outline the balancing procedure:
- Step 1: Separate the working fund from the total receipts.
  - Step 2: Total all checks and currency received during the day.
  - Step 3: Total all sales receipts and compare them and the cash register tape total with the total in Step 2. Repeat as necessary to balance receipts and payments. Enter totals on the Sales Tally Sheet.
  - Step 4: Total the amount of tax received. This is performed by taking the tax totals off of the bills of sale and the cash register receipts. Add tax totals to the Sales Tally Sheet.
  - Step 5: If an "out-of-balance" condition cannot be reconciled, advise the supervisor. If the discrepancy cannot be resolved with the supervisor's help, the discrepancy should be noted on the Sales Tally Sheet in the remarks section, e.g., overage or shortage.

Note: A log of Overages/Shortages must be maintained at the Resale Outlet.

- 12.09 Overages - Overages are handled by converting the excess cash received into a cashier's check. The amount of the overage will be included in the same cashier's check obtained for the cash received at the Resale Outlet. The overage will be shown as a credit to the 1220.193 account.
- 12.10 Shortages - Shortages are handled by the Manager-Store Operations. Once a shortage has been determined, an FASW-4471A (See Exhibit I) is completed at the Resale Outlet location to replace revenue lost or not received.

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12.11 The FASW-4471A generates an expense for the individual authorizing the FASW-4471A. Once the FASW-4471A is keyed by Accounting, the authorizing person's Social Security Number is used to locate the proper responsibility code and job function code to charge the expense.

12.12 The following information is used when completing a shortage transaction on the FASW-4471A.

<u>Field</u>	<u>Information Required</u>
EXTC	817
Amount	Total of shortages
Total	Amount of shortages

(Note: The above information is used for inclusion in Section E of the FASW-4471A)

12.13 An explanation should be shown stating the reason for the shortage within the "Explanation of Company Expense" section of the FASW-4471A.

12.14 When completed and approved FASW-4471A should be mailed to the St. Louis Treasury Office for issuance of a Southwestern Accounts Payable System (SWAPS) draft. The draft should be used to replenish the currency of the working fund used to operate the Resale Outlet.

12.15 For auditing purposes, a log is required to track overages and shortages. The information on the log must include the following:

- (a) Date (of occurrence)
- (b) Amount
- (c) Balanced
- (d) Overage
- (e) Shortage
- (f) Reason (explanation)
- (g) Initials (of individual recording the transaction)

NOTE: AN ENTRY TO THE LOG SHOULD BE MADE EVEN WHEN A BALANCE CONDITION EXISTS.

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13. DISHONORED CHECKS

- 13.01 When a check accepted for payment is dishonored by the customer's bank, the depository bank may or may not elect to re-deposit the check. If the check does not clear after having been run the maximum number of times allowed, it will be returned to SWBT.
- 13.02 It is SWBT's policy to receive cash or a money order for a dishonored check within two days after notification of the dishonored check is made to the originator. Dishonored checks are returned by the Treasury Department to the DOCC. When the DOCC initially received the check and at the time of purchase, the name of the check protection service company (if one was used) was stamped on the check. This serves to alert the Treasury Office to return dishonored checks quickly to the DOCC.
- 13.03 The Resale Outlet uses a check protection service company (Telecheck, Inc.) in an effort to avoid bad checks and to make collections for dishonored checks. Dishonored checks processed at the Resale Outlet are returned to the Manager-Cable Sales for collection by that group or by the check protection service company. The check protection company will make collection or reimburse SWBT for checks received with insufficient funds provided the check is received by the check protection company within 45 days from date of issue.
- 13.04 The department receiving a dishonored check must ensure replacement of funds. Replacement consists of the check being replaced with cash by the customer, or a departmental loss is claimed for the amount by issuing Form FASW-4471 (Exhibit J).
- 13.05 A returned check fee of ten dollars is charged in Missouri for all returned checks to SWBT Company. This is conveyed to customers when collections for dishonored checks are needed. When this fee is collected, it is processed as a credit to the company's revenue account.

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- 13.06 When a dishonored check occurs, the Treasury Department immediately issues a Senior Treasury Clerk check to satisfy the bank. Dishonored checks are returned to the department which submitted the check to the Treasury Department.
- 13.07 When the revenue for the dishonored check and the returned check fee are received within seven days or less, this revenue is submitted to the St. Louis Treasury office and an FASW-4471 is not required.
- 13.08 A departmental loss should be claimed when collection of a dishonored check is a problem, (i.e., it is obvious that the customer is not going to pay).
- 13.09 Form FASW-4471 is used for processing departmental losses because the form can accommodate multiple transactions. For example, the form contains columns for recording the account code for the sale, tax, and the returned check charge. The following EXTCs are used on Form FASW-4471:
- EXTC 818 - Amount of the sale (SPFC 513B)
  - EXTC RE0 - Returned check fee (SPFC 5T9E)
  - EXTC CY1 - Tax (when applicable)
- NOTE: "0" in the EXTC RE0 is zero.
- 13.10 If collection for the dishonored check is made after having submitted the FASW-4471, an FASW-4472 (Exhibit K) is completed to credit (or reverse) the debits generated by the FASW-4471 or departmental loss. The FASW-4472 will carry the same transactions (as credits) as did the FASW-4471 with the exception of the EXTC RE0 (reimbursement for the returned check fee). If a check protection company is used, the return check fee transaction will be omitted from the FASW-4472. This charge will remain as a departmental loss for Logistics.

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EXHIBIT C  
LOAD AUTHORIZATION TICKET

L O A D   A U T H O R I Z A T I O N

=====

TODAY'S DATE: \_\_\_\_\_

\_\_\_\_\_  
VERIFIED BY:

\_\_\_\_\_  
LOADED BY:

\_\_\_\_\_  
RECEIVED BY:

\_\_\_\_\_

\_\_\_\_\_

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**EXHIBIT D  
EMPLOYEE EXPENSE REIMBURSEMENT  
(FORM FASW-4471A, CASHIER'S CHECK REIMBURSEMENT)**

	<b>EMPLOYEE EXPENSE REIMBURSEMENT</b>	<b>FASW-4471A (Rev. 3-91)</b>
Retain 10 years, until _____	Sheet <u>1</u> of <u>1</u> Date <u>3/4/92</u>	
Payment ID or Draft No. <u>AA-0000</u>	Geo. Loc. Code <u>0</u>	<input type="checkbox"/> Cash <input checked="" type="checkbox"/> Check
	Env. Code <u>0</u>	<input type="checkbox"/> Apply to Advance
M M O O Y Y	Order No.	Total Payment Amount
		VOUCHER OFFICE USE ONLY
		Date Rec'd.
		<input type="checkbox"/> Overlap Indicator
I. <u>JOHN DOE</u> (Name - Please print or type) certify that expenditures of <u>SIX DOLLARS AND 10/100</u> were incurred by me on behalf of S.W.B.T.		
Correct Title <u>ASST. MGR - STORE OPERNS.</u> Date <u>3/4/92</u>	Authorized Title <u>AREA MGR - DISP. OPERNS.</u> Date <u>3/5/92</u>	
Soc. Sec. No. <u>000 00 0000</u> Co. Tel. # <u>214 291-3336</u>	Soc. Sec. No. <u>000 00 0000</u> <input type="checkbox"/> DELEGATED	
Mail to Address of Originator (Please print, type, or stamp)	Name and Address of Originator's Supervisor (Please print, type or stamp)	
NAME <u>JOHN DOE</u>	<u>JANE WILKS</u>	
ADDRESS <u>14035 DISTRIBUTION WAY</u>	<u>AREA MGR - DISP. OPERNS</u>	
CITY <u>FARMERS BRANCH TX</u> ZIP <u>75234</u>	<u>1325 CURNELL RD.</u>	
	<u>LANCASTER, TX 75734</u>	
If Traveling Expense, Must Explain Here The Company Business Involved.		
Date	DESCRIPTION	Total
19 <u>92</u>	If Travel, Show Starting Point And Destination	
<u>03-09</u>	<u>CASH OF CONVERTING CASH FROM STORE RECEIPTS TO CASHIER'S CHECK TO SEND TO GHA</u>	<u>\$6.00</u>

REIMBURSABLE EXPENSES - NOT AWAY FROM HOME OVERNIGHT													
DATE-MM/DD 19	<u>92 03 04</u>												
EXPENSES	No	Amount	No	Amount	No	Amount	No	Amount	No	Amount	No	Amount	Total
Personal Auto													NA
Rented Auto													NB
Local Transportation													NC
Amuse													ND
Meals													NE
Lodging													NF
Misc. Daily Expenses				<u>6.00</u>									NT <u>6.00</u>
Misc. Cont. Cost													NU

DATE-MM/DD 19	<u>92 03 04</u>												
EXPENSES	No	Amount	No	Amount	No	Amount	No	Amount	No	Amount	No	Amount	Total
Personal Auto													TA
Rented Auto													TB
Local Transportation													TC
Amuse													TD
Meals													TE
Lodging													TG
Board & Lodging													TH
Misc. Daily Expenses													TJ

Check if Reverse Side is Covered

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EXHIBIT E  
SALES TALLY SHEET

SALES TALLY SHEET		
TUESDAY SALES		
SURPLUS SALES OUTLET		
3-17-92		
<b>A. TOTAL PAYMENT SUBMITTED</b>		
CASH + CHECKS		
1. TOTAL CHECKS	\$	<u>3365.58</u>
2. TOTAL CASH	+ \$	<u>1255.53</u>
3. TOTAL PAYMENT =	\$	<u>4621.11</u>
<hr/>		
	REGISTER 1.	REGISTER 2.
B. TOTAL TAX EXEMPT SALES	\$	<u>1595.85</u>
	\$	<u>0.0</u>
C. TOTAL TAXABLE SALES +	\$	<u>2331.51</u>
	\$	<u>463.11</u>
D. TOTAL TAX +	\$	<u>192.40</u>
	\$	<u>38.24</u>
E. TOTAL OF REGISTER TAPE =	\$	<u>4119.76</u>
	\$	<u>501.35</u>
<hr/>		
F. * TOTAL VOIDS - KEY	\$	<u>0.0</u>
	\$	<u>11.79*</u>
G. OVERAGE (E. < 3)	\$	<u>0.0</u>
	\$	<u>0.0</u>
SHORTAGE (E. > 3)	\$	<u>0.0</u>
	\$	<u>0.0</u>
H. TOTAL FURNITURE SALES	\$	<u>637.00</u>
(LESS TAX)	\$	<u>0.0</u>
I. TOTAL COIN SALES	\$	<u>200.00</u>
(LESS TAX)	\$	<u>0.0</u>
<hr/>		
* KEY VOIDS - EXPLAIN	<i>* Customer was overcharged for merchandise money was refunded.</i>	
<hr/>		
APPROVED	<u>RPJA</u>	
TITLE	<u>MGR STORE OPNS</u>	DATE <u>3/18/92</u>

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**EXHIBIT I  
EMPLOYEE EXPENSE REIMBURSEMENT  
(FASW-4471A, EXHIBIT FOR SHORTAGE)**

 Southwestern Bell Telephone	<b>EMPLOYEE EXPENSE REIMBURSEMENT</b>	<b>FASW-4471A (Rev. 3-91)</b>											
Retain 10 years, until _____	Sheet <u>1</u> of <u>1</u> Date <u>3/5/92</u>												
Payment ID or Draft No. _____ Geo. Loc. Code _____ Env. Code _____ Payment Date <u>MM/DD/YY</u> _____	<input type="checkbox"/> Cash <input type="checkbox"/> Check <input type="checkbox"/> Apply to Advance	<b>VOUCHER OFFICE USE ONLY</b> Date Rec'd. _____ <input type="checkbox"/> Overlap Indicator											
Correct Name: <u>PAMELA J. NOOTON</u> (Name - Please print or type)		Authorized Title: <u>STAFF SUPERVISOR - TREASURY</u> Date: _____											
certify that expenditures of <u>TWELVE AND NO/100</u> dollars were incurred by me on behalf of S.W.B.T.		Soc. Sec. No. _____ <input type="checkbox"/> DELEGATED											
Correct Title: <u>SR. TREASURY CLERK</u> Date: <u>3/5/92</u> Soc. Sec. No. <u>499 00 877</u> Co Tel # <u>235-2114</u>	Name and Address of Originator's Supervisor (Please print, type or stamp): <u>JUDITH ANN BRAYE</u> <u>14 S. 4TH RTN 1326</u> <u>ST. LOUIS, MO 63102</u>												
Mail to Address of Originator (Please print, type, or stamp): NAME _____ ADDRESS _____ CITY _____ STATE _____ ZIP _____		If Traveling Expenses, Must Explain Here The Company Business Involved:											
Date: <u>3/5/92</u>	DESCRIPTION: <u>SHORTAGE IN CASH DRAWER OF PAMELA NOOTON, SR. TREASURY CLERK.</u>	Total: <u>\$12 00</u>											
B REIMBURSABLE EXPENSES - AWAY FROM HOME OVERNIGHT													
DATE-MM/DD/YY 19 <u>92</u>	EXPENSES												
Personal Auto Rental Auto Local Transportation** Airfare Meals** Lodging Board & Lodging Misc. Daily Expenses**	No.	Amount	No.	Amount	No.	Amount	No.	Amount	No.	Amount	No.	Amount	Total

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**EXHIBIT J**  
**EMPLOYEE EXPENSE/RELOCATION EXPENSE REIMBURSEMENT**  
**(FASW-4471, EXAMPLE OF A DEPARTMENTAL LOSS)**

**Southwestern Bell Telephone**

Refer to OPR/STARS Guide for preparation of this form

**EMPLOYEE EXPENSE/RELOCATION EXPENSE REIMBURSEMENT**

**FASW-4471**  
**(Rev. 8-91)**

Name: SALESMAN'S NAME Sheet: \_\_\_\_\_ Date: 4/30/92

Payment Date:  Personal Expense  Cash  Check  Reimbursement Office Use Only

Relocation Expense  Add to Advance  9  40  Override Indicator Date Rec'd: \_\_\_\_\_

Payment ID or Order No: \_\_\_\_\_ Payment Date of this Case: \_\_\_\_\_ Total Payment Amount: \$ 106 00 Cents: \_\_\_\_\_

I Certify that the Expenditures Set Form Above of One Hundred Six and xx/100 were incurred by me on behalf of the Southwestern Bell Telephone Company.

Correct Title: MR - House Sales Date: \_\_\_\_\_ Authorizing Title: Area Mgr - Disp. Operations Date: \_\_\_\_\_

ON LOAN Co FAX# \_\_\_\_\_ Co Title \_\_\_\_\_  DELEGATED

Correct Soc Sec No: 411-66-3115 Originating: 54802A160 Authorizing Soc Sec No: 347-40-5502

Mail to Address of Originator (Please print type or stamp): \_\_\_\_\_ Name and Address of Originator's Supervisor (Please print type or stamp): \_\_\_\_\_

NAME: \_\_\_\_\_ ADDRESS: \_\_\_\_\_ CITY: \_\_\_\_\_ STATE: \_\_\_\_\_ ZIP: \_\_\_\_\_

If Traveling Expenses: Must Explain Here the Company Business Involved: Departmental loss for check returned

Date	Description	Transaction Type	Amount	Posting	Other	Total
<u>4/30</u>	<u>Replacing Check</u>		<u>100 00</u>			<u>100 00</u>
<u>4/30</u>	<u>Check Charge</u>		<u>6 00</u>			<u>6 00</u>

See Reverse Side

Transaction Code	CODES	1	2	3	4	5
Expenditure Type Code	A	<u>R18</u>	<u>R20</u>			
Amount (Must = Tot Pay Amt)	B	\$ <u>100 00</u>	\$ <u>6 00</u>			
Geographic Location Code	C	<u>746218</u>	<u>746218</u>			
Fuel Reporting Code	D					
MV CPR Item No	E					
CPC SPFC or JFC-8m Code	F	<u>513 B</u>	<u>5796</u>			
Responsibility Code Charged	G	<u>54802A160</u>	<u>54802A160</u>			
Order No (Est. CWO KCO)	H					
Quotary	J					
Motor Vehicle No or Furn No	K					
Action/Repair/Frequency	L					
Brig No or Group	M					
Subsidiary ID	P					
Special Ref Code 1: Code 2						

\*Receipts Must Be Attached \*\*Receipts Per Item of \$25 or More Must Be Attached Check if Reverse Side is Code

Retain 10 years until \_\_\_\_\_ OFFICIAL FILE COPY, UNLESS REPRODUCED

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**EXHIBIT K**  
**(FASW-4472, REPAYMENT TO TREASURY FOR DISHONORED CHECK)**

<p>Refer to OPSS SWAPS Guide for preparation of this form</p>		<b>AUTHORIZATION OR CANCELLATION OF SUNDRY EXPENSES</b>		<b>FASW-4472 (Rev. 8-91)</b>	
		Enter <u>1 2 1</u> Date <u>5/31/92</u>			
PAYABLE TO	<input type="checkbox"/> Payment - Bill Attached	<input type="checkbox"/> Cancellation	Voucher Office Use Only		
	<input type="checkbox"/> Payment - Bill Not Attached	<input type="checkbox"/> Cash Refund	<input type="checkbox"/> 40	Contra Acct Payee #	Date Rec'd
	<input type="checkbox"/> Wage Payment	<input checked="" type="checkbox"/> Adjustment	<input type="checkbox"/> 19	Addr Code	<input type="checkbox"/> Overseas Indicator
REFER TO Name and Complete Address of Payee as Shown on Invoice. Please print in block.			Name and Address of Originator's Supervisor		
NAME <u>SALES MAN'S NAME</u>					
ADDRESS _____					
ADDRESS _____					
CITY _____ STATE _____ ZIP _____					
M M O O Y Y Date Received	Payment ID or Draft No.	M M O O Y Y Payment Date or Due Date	Accrual No.	<u>100.00 CR</u> Total Payment Amount	
<u>ONE HUNDRED DOLLARS AND 00/100</u> Dollars					
Correct Title <u>TRK-REUSE SALES</u>	Date _____	Authorized Title <u>AREA TRK-DISP. OPERATIONS</u>	Date _____		
Co FAX # _____	Resp Code Originating <u>54802A160</u>	Authorizing Soc Sec No. <u>347-40-5502</u>	<input type="checkbox"/> DELEGATED		
Co Tel # _____	Draft Remittance Description				
Invoice info and other description will appear on payment draft - enter enough data to allow vendor to properly credit SWBT:					
Invoice No	Account No	Invoice Date (MMDDYY)	Contract Case No	Cert No	Payment Amount
_____	_____	_____	_____	_____	\$ _____
_____	_____	_____	_____	_____	\$ _____
_____	_____	_____	_____	_____	\$ _____
_____	_____	_____	_____	_____	\$ _____
_____	_____	_____	_____	_____	\$ _____
Other Description _____					
Print Mail To Address: Complete this section if draft is to be mailed to other than Payee's address:					
Name	Address				
_____	_____				
City	State	Zip			
_____	_____	_____			
SALES TAX: Non-Taxable Item (Explain) <input type="checkbox"/>					
Not Billed By Vendor (Explain) <input type="checkbox"/>					
Vendor Out of State, Use Tax Address <input type="checkbox"/>					
Billed By Vendor: Total Taxable Amount \$ _____					
Vendor: County _____ City _____ State _____ Zip _____					
Shipped To/Pickup Location: County _____ City _____ State _____ Zip _____					
LEASE FINE DATA: Applicable to OPBT <input type="checkbox"/>					
Lease ID Number _____		M M O O Y Y SN-1048 Date _____			
Exclusions from OPBT (Check one): <input type="checkbox"/> 1 Cancellable <input type="checkbox"/> 2 Less than one year					
Other: _____					
Expiration: <u>REPAYMENT FOR DEPARTMENTAL LOSS. FASW4471 DATED 4/30/92 ORIGINAL LOSS.</u>					
Transaction Date					
Expenditure Type Code		<u>B18</u>			
Amount - Must. Tot. Pay Amt.		<u>8 1 100.00</u>			
Geographic Location Code		<u>T46218</u>			
Fund Reporting Code		<u>0</u>			
MVA CPR Item No.		<u>0</u>			
CFC SPEC or JFC Env Code		<u>513B</u>			
Responsibility Code Change		<u>54802A160</u>			
Order No. Est. CWO (KCO)		<u>0</u>			
Quantity		<u>1</u>			
Motor Vehicle No. or Furn. No.		<u>0</u>			
Action Repair Frequency		<u>0</u>			
Material Code		<u>M</u>			
Tax Year		<u>91</u>			
Soc. Sec. No. or Tax ID		<u>0</u>			
Building No. or Group		<u>0</u>			
Purchase Order No.		<u>0</u>			
Voucher Office Use Only		Tax Code _____ Special Rel. Code 1 Code 2 _____ J99 Category _____			
Return 10 years until _____ Official File Copy unless reproduced. *If invoice does not contain stated payment terms, use invoice date plus 30 days. Check if Reverse Side is Covered <input type="checkbox"/>					

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