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Preface

A Business Mail Entry Unit (BMEU) is a United States Postal Service™ (USPS®) facility that processes bulk business mail. Mailers submit business mail for below retail prices to a BMEU. BMEU acceptance employees are responsible for verifying the mail to ensure that mailings are prepared to business mail price standards and that revenue is collected in a timely fashion. The Handbook DM-109, *Business Mail Entry* was developed by the Postal Service™ to provide detailed guidelines for BMEU management and acceptance employees for the daily operation of a BMEU and affiliated Detached Mail Units (DMU) with a focus on providing consistent customer service to mailers.

In addition to BMEUs, Retail Units — or Associate Offices (AO) — also accept limited amounts of business mail. Retail/AO units are postal facilities that are dedicated to serving the postal needs of non-business mailers, but have limited capabilities for verifying and accepting business mail. The Handbook DM-109 provides guidelines and procedures for Retail/AO management and employees for verification of business mail and management oversight responsibilities.

The Handbook DM-109 serves as a comprehensive source of information on the verification and acceptance of all categories of business mail, and a roadmap for effective compliance with USPS internal financial and procedural controls. The Handbook DM-109 also stresses the importance of providing mailers the most up-to-date business processes and policies; and predictable acceptance procedures in order to provide mailers the best customer experience.

Business mail accounts for a significant portion of USPS revenue; and therefore it is critical that all employees accepting business mail adhere to Handbook DM-109 policies to help ensure that USPS' financial statements accurately reflect operating results; and that mailers are properly billed for business mail services.

The handbook contains detailed information on the following:

- Managing the Business Mail Entry Unit;
- BMEU Operations;
- Verification;
- International Mail;
- Periodicals;
- Nonprofit and Political Mail;
- Mail Classification Decisions, Appeals, and Requests for Exception;
- *PostalOne!*®;
- Electronic Documentation;
- Special Payment Postage Systems; and,
- Appendix/Exhibits.

As the Postal Service adapts to the changing business and regulatory environment by offering new products and services to mailers and developing regulatory controls, the Handbook DM-109 will be updated accordingly.

1 Managing the Business Mail Entry Unit

There is a number of United States Postal Service™ (USPS®) staff positions associated with business mail acceptance. This chapter discusses the roles and responsibilities for each Postal Service™ staff position. In addition, the section provides information describing postmaster duties for Retail/Associate Offices (AO) units. Other topics covered include: an overview of the BME Proficiency Program, which measures the technical knowledge, helpfulness and consistency of BMEU employees nationwide; and, a description of the Employee Performance Assessment (EPA) review program, used to evaluate BME acceptance employees' on-the-job performance.

Chapter 1 is divided into the following sections:

Section	Title
1-1	Staff Responsibilities Regarding Business Mail Acceptance
1-2	Customer Outreach Program
1-3	Employee Performance Assessment Review
1-4	Business Mail Entry Management Oversight

1-1 Staff Responsibilities Regarding Business Mail Acceptance

Each USPS employee with a role involving business mail acceptance has a unique set of responsibilities. This section provides a detailed explanation of the primary responsibilities for each USPS employee involved in the business mail process. These employees are:

- BME Manager;;
- BMEU Supervisor;
- Mailing Standards Specialist;
- Mailpiece Design Analyst (MDA);
- Mailing Requirements Clerk;
- Bulk Mail Clerk and Technician;
- Business Mailer Support Analyst (USPS Headquarters); and,
- Postmaster (Associate Offices).

Detailed information on management positions is available online at <http://hrishq.usps.gov/scripts/ser/welcome.cfm>. Detailed information on Craft/Bargaining positions is available online at http://hrishq.usps.gov/scripts/ser/bq_alpha.cfm.

Note: The mailing requirements clerk and bulk mail clerk and technician are the two primary USPS positions that verify and accept business mail and may be staffed at BMEUs, DMUs, or Retail/AO units. The term “acceptance employee” used in this handbook refers to these two types of USPS employees.

Note: BME managers, BMEU supervisors, and postmasters may choose to designate an authorized designee for certain identified activities. However, a BME manager, BMEU supervisor, or postmaster may not delegate responsibility for ensuring that the authorized designee performs this activity.

Table 1-1 (page 1 of 5)

Business Mail Entry Staff — Primary Responsibilities

Title	Responsibilities
BME Manager	<p>The BME manager is responsible for managing activities related to mailing requirements; business mail acceptance, customer service, and revenue protection for a district (see Exhibit 1-1, “Checklist of General Duties for BME Manager”).</p> <p>BME managers must also perform critical management responsibilities and ensure that BME employees are:</p> <ul style="list-style-type: none"> ▪ Informed of USPS policy and mailing standards. ▪ Proactively communicating with mailers. ▪ Consistent and accurate in providing mailing standards information. ▪ Professional and providing quality customer service. ▪ Receiving the required training, guidance, and career development opportunities. ▪ BME managers must understand and be able to communicate corporate business mailing strategies and information to both mailers and BME employees. BME managers must also be knowledgeable of and able to communicate current strategic initiatives and products/service changes to employees and mailers. BME managers must understand and be able to communicate business mailing standards to both mailers and BME employees. BME managers are responsible for ensuring all business mail acceptance locations within their District are following financial compliance procedures and adhering to business mail acceptance policy. ▪ BME managers must ensure that BME employees understand the purpose and function, and are coordinating activities with, the cross functional partnership of Retail, Operations, Business Service Network (BSN), Consumer Affairs, and Sales Teams. BME managers must also participate actively in the Postal Customer Council® (PCC®) to ensure that employees and mailers are aware of the benefits of PCC participation and events. <p>BME managers must develop and update a specifically tailored strategic mission statement (based on USPS Headquarters, area, district, and Fiscal Year goals) to reflect the specific client, geographical, and business needs of each district (i.e., the mission statement of a rural district may be significantly different from the mission statement of an urban district). Mission statements must also take into account USPS strategic and business development goals reflected in the USPS Strategic Transformation Plan (STP). Communicate mission statement and related objectives and goals to BME employees, specifically concerning revenue protection and customer service.</p> <p>BME managers must establish and monitor the progress of formal mail educational programs for business mailers and implement applicable changes to address changing business needs. More information is available at www.usps.com/businessmail101/welcome.htm.</p> <p>BME managers are responsible for responding to mailers, coordinating with the Pricing and Classification Service Center as necessary, and addressing and resolving mailer appeals and exception requests regarding mail quality issues.</p> <p><i>Note:</i> BME managers may choose to designate an authorized designee for certain identified activities. However, a BME manager may not delegate responsibility for ensuring that the authorized designee performs this activity.</p>

Table 1-1 (page 2 of 5)

Business Mail Entry Staff — Primary Responsibilities

Title	Responsibilities
BMEU Supervisor	<p>The BMEU supervisor is responsible for managing a BMEU or DMU and ensuring that mail is accepted correctly. BMEU supervisors' responsibilities include the following (see Exhibit 1-2, "Checklist of General Duties for BMEU Supervisor"):</p> <ul style="list-style-type: none"> ▪ Answer mailer inquiries and concerns regarding mailing procedures and requirements. ▪ Respond to inquiries and resolve mailer issues. ▪ Provide technical guidance and advice to managers and employees. <p>BMEU supervisors must also perform critical management responsibilities to ensure that BME employees are:</p> <ul style="list-style-type: none"> ▪ Informed of changes to USPS policy and mailing standards. ▪ Proactively communicating with mailers. ▪ Consistent and accurate in providing mailing standards information. ▪ Professional and providing quality customer service. ▪ Receiving the required training, guidance, and career development opportunities. ▪ BMEU supervisors must understand and be able to communicate business mailing standards to both mailers and BME employees. BMEU supervisors are responsible for ensuring all business mail acceptance locations within their acceptance offices are following financial compliance procedures and adhering to business mail acceptance policy. ▪ BMEU supervisors must understand the purpose and function, and coordinate in activities with, the cross functional partnership of Retail, Operations, Business Service Network (BSN), Consumer Affairs, and Sales Teams. BMEU supervisors should also participate actively in the Postal Customer Council™ (PCC), as able, and ensure that employees and mailers are aware of the benefits of PCC participation and events. <p>BMEU supervisors must support the BME manager in communicating the strategic mission statement and related objectives and goals to BME employees, specifically concerning revenue protection and customer service.</p> <p>Ensure acceptance employees are aware of and are promoting formal mail educational programs to business mailers, as established by the BME manager.</p> <p><i>Note:</i> BMEU supervisors may choose to designate an authorized designee for certain identified activities. However, a BMEU supervisor may not delegate responsibility for ensuring that the authorized designee performs this activity.</p>

Business Mail Acceptance

Table 1-1 (page 3 of 5)

Business Mail Entry Staff — Primary Responsibilities

Title	Responsibilities
<p>Mailing Standards Specialist</p>	<p>The mailing standards specialist is responsible for providing mailing standards information throughout the district. Information includes details from the most current releases of:</p> <ul style="list-style-type: none"> ▪ Pricing and Classification (P&C) Weekly; ▪ Business Mail Acceptance (BMA) Newsletter; ▪ Domestic Mail Manual (DMM®) Advisory; ▪ Federal Register Notices; ▪ Postal Bulletin; and, ▪ All BMA Webcasts. <p>Mailing standards specialist responsibilities include the following:</p> <ul style="list-style-type: none"> ▪ Provide technical assistance to mailers and mail acceptance employees (BMEU, DMU, and AOs). ▪ Manage postage payment systems within designated area of responsibility, if assigned. ▪ Respond to inquiries and resolve mailer issues. ▪ Coordinate with the MDA, the mailing requirements function, or the BMEU (depending on the district's management structure). ▪ Implement all mailer and employee outreach initiatives. ▪ As designated, may supervise mailing requirements and/or acceptance employees. ▪ Mailing Standards Specialists must understand and be able to communicate business mailing standards to both mailers and BME employees. Mailing Standards Specialists are responsible for enabling all business mail acceptance locations within their acceptance offices to follow financial compliance procedures and adhere to business mail acceptance policy. ▪ Mailing standards specialists must also understand the purpose and function, and coordinate in activities with, the cross functional partnership of Retail, Operations, Business Service Network (BSN), Consumer Affairs, and Sales Teams.
<p>Mailpiece Design Analyst</p>	<p>The Mailpiece Design Analyst (MDA) is the primary contact for mailers seeking technical information on mailpiece design including: automation letter and flats; polywrap for flats; Business Reply Mail® services; courtesy reply mail services; and, automation barcoding. The MDA's responsibilities also include the following:</p> <ul style="list-style-type: none"> ▪ Provide technical guidance on readability and process-ability regarding mail quality results for mailers and USPS employees. ▪ Maintain contact with large mailers, printing firms, and graphic designers to identify problems and negotiate solutions. ▪ Review failures and resolve other technical issues for MERLIN® verification. ▪ Understand and be able to communicate business mailing standards, strategies, and benefits to mailers.

Table 1-1 (page 4 of 5)

Business Mail Entry Staff — Primary Responsibilities

Title	Responsibilities
Mailing Requirements Clerk	<p>The mailing requirements clerk is a source of information for mail classification, mailability, prices, mailing methods, fees, payment systems, special services, and other related mailing standards. The clerk issues permits and provides information to mailers on all classes of mail. Mailing requirements clerk responsibilities also include the following:</p> <ul style="list-style-type: none"> ▪ Process non-profit applications; ▪ Process Periodicals applications; ▪ Conduct Periodicals eligibility reviews; ▪ Assist with maintenance of <i>PostalOne!</i> data; ▪ Have the most current information on USPS policy and mailing standards; ▪ Review failures and resolve other technical issues for MERLIN® verification. ▪ Assist Retail/AO units with business mail acceptance responsibilities, or other duties, as assigned by BME management; and, ▪ Understand and be able to communicate business mailing standards, strategies, and information to mailers. ▪ Mailing Requirements Clerks must understand and be able to communicate business mailing standards to both mailers and BME employees. Mailing Requirements Clerks are responsible for enabling all business mail acceptance locations within their acceptance offices to follow financial compliance procedures and adhere to business mail acceptance policy.
Bulk Mail Clerk and Technician	<p>The bulk mail clerk and technician is responsible for verifying, classifying, accepting, and computing postage on all classes of domestic and international business mail. Bulk mail clerk and technicians' responsibilities include the following:</p> <ul style="list-style-type: none"> ▪ Follow financial compliance and business mail acceptance policies and procedures. ▪ Provide assistance to ensure mailers understand and comply with USPS mailing standards, mail preparation requirements, and methods of presentation (containers). ▪ Provide feedback and/or information specific to the mailer's individual needs. ▪ Interact effectively and professionally with mailer complaints, problems, and mail classification by exercising courtesy, proper etiquette, and self-control at all times. ▪ Have the most current information on USPS policy and mailing standards. ▪ Understand and be able to communicate business mailing standards, strategies, and information to mailers. ▪ Assist Retail/AO units with business mail acceptance responsibilities, or other duties, as assigned by BME management.
Business Mailer Support Analyst (USPS Headquarters)	<p>The Business Mailer Support (BMS) analyst approves Special Payment Postage Systems (SPPS) reviews mailer systems, and assists mailers with understanding and implementing USPS electronic mailing services and offerings. SPPS agreements allow mailers to establish authorized customized mailing systems. The BMS analyst coordinates the response to, and/or the resolution of major issues that involve SPPS mailers. The BMS analyst also coordinates with mailers and local business mail acceptance.</p>

Table 1-1 (page 5 of 5)

Business Mail Entry Staff — Primary Responsibilities

Title	Responsibilities
Postmaster (Retail/AO Units)	<p>Postmasters are responsible for the operations of Retail/AO units and USPS mail processing and delivery. This includes the management — where applicable — of acceptance operations/activities and acceptance employees. For business mail acceptance, the postmaster’s responsibilities include the following:</p> <ul style="list-style-type: none"> ▪ Ensure sufficiently trained acceptance employees, supervisors, and managers are available to verify and accept mail. ▪ Ensure all business mail acceptance locations within their offices are following financial compliance procedures and adhering to business mail acceptance policy. ▪ Obtain sufficient equipment and space for BMEUs. ▪ Set operating times and locations for business mail acceptance. ▪ <i>Note:</i> Postmasters may limit mail volumes and classes for specific locations. ▪ Ensure business mail is accepted according to procedures established in Handbook DM-109, DMM, Handbook DM-103, <i>Official Mail</i>, and the <i>International Mail Manual</i> (IMM®). ▪ Ensure business mailer issues are handled correctly in a timely fashion. ▪ Ensure acceptance employees perform all verification and acceptance procedures as described in the Handbook DM-109. ▪ Coordinate with the BME manager and District Manager for Finance for establishing daily DMU operations and budget. <p><i>Note:</i> Postmasters may choose to designate an authorized designee for certain identified activities. However, a postmaster may not delegate responsibility for ensuring that the authorized designee performs this activity.</p>

1-2 Customer Outreach Program

The USPS Customer Outreach Program is designed to improve customer service, ensure employee awareness of changes to policy and standards, and promote consistent practices and up-to-date communication from BMEU employees concerning policy and standards. The Customer Outreach Program provides a best practice framework for BMEU management and is available online at <http://blue.usps.gov/bma>.

As part of customer service improvement efforts, the Customer Outreach Program also includes the BME Proficiency Program. The BME Proficiency Program was developed to measure the technical knowledge, helpfulness, and consistency of BMEU and other BME employees nationwide.

1-2.1 Customer Outreach Program

The Customer Outreach Program provides USPS employees with sources of information for the following:

- Staying informed of any changes to USPS policy and mailing standards.
- Proactive communication with mailers.
- Consistent and accurate mailing standards information.
- Improving overall customer service and professionalism.

The BME manager, postmaster, and BMEU supervisor are responsible for ensuring that all acceptance employees have access to all mandatory postal resources specifically including:

- Pricing and Classification (P&C) Weekly;
- Business Mail Acceptance (BMA) Newsletter;
- Domestic Mail Manual (DMM) Advisory;
- Federal Register Notices;
- Postal Bulletin;
- All BMA Webcasts; and,
- Ongoing training events.

In addition to access to these resources, acceptance site management and acceptance employees must take all required training courses pertaining to the appropriate skill positions. This ensures that BME employees will be proficient in providing the most current USPS information to address mailer questions and concerns.

The program also offers a Mail Quality Discussion Guide to provide best practices in improving communication between acceptance employees and mailers regarding mail preparation. Also included are methods, resources, and examples for informing, interacting with, and educating mailers about mailing standards.

1-2.2 The Postal Customer Council

The Postal Customer Council (PCC) is a local and national network of business mailers, mail industry representatives, and USPS representatives, who gather regularly to discuss and resolve local mailing issues, develop content rich education programs, and work continuously to improve communications between the Postal Service™ and mailers by promoting an effective networking platform. BME management should attend PCC events and assume a proactive role. BME management should ensure BME employees inform mailers of the benefits of PCC participation and events. Twelve PCC educational programs are posted online at <http://blue.usps.gov/bma>.

1-2.3 BME Proficiency Program

The BME Proficiency Program consists of an online training environment, and follow-up review. BME Proficiency Program results must be reviewed by the BMEU supervisor to assess training needs.

1-3 Employee Performance Assessment Review

The Employee Performance Assessment (EPA) is used to evaluate the on-the-job performance of all employees who verify and accept discount mailings. It is a review of selected mailings to verify that acceptance employees understand and are following standard procedures for verifying, recording, and processing mail at their particular acceptance site. Reviews should be conducted with the corresponding EPA form (i.e., PBV, non-PostalOne! MERLIN, non-PostalOne! non-MERLIN). The EPA process includes the following:

- BMEU supervisors must complete an EPA for each BMEU acceptance employee every six months.

- Postmasters or station managers must ensure that an EPA is completed for each acceptance employee, every six months.
- A copy of the postage statement for the mailings tested and completed EPA checklist must be maintained for one year.
- If errors are noted during the EPA, the BMEU supervisor must provide follow-up training/guidance.

See Exhibit 1-4, “Employee Performance Assessment Form for non-*PostalOne!* sites” and Exhibit 1-5, “Employee Performance Assessment Form for *PostalOne!* sites.”

1-4 Business Mail Entry Management Oversight

The BME manager, postmaster, or BMEU supervisor is responsible for ensuring regular oversight of verification occurs. The following table provides a summary of key management oversight activities:

Table 1-4 (page 1 of 3)

Acceptance Site Management Responsibilities

Title/Forms	Procedures
Negative Balance Report Chapter 3, Verification	The postmaster/supervisor must review the “Negative Balance Report” in <i>PostalOne!</i> on a daily basis. This report provides a listing of mailer trust accounts with a negative balance. Ensure that accounts with negative balances are whole by the next business day. The postmaster/supervisor must also ensure that the BMEU does not accept mailings from mailers with negative account balances.
Master Trust Reconciliation Chapter 3, Verification	The postmaster/supervisor must reconcile mailer advance deposit trust accounts with mailer trust balances in the Accounting Data Mart (ADM) on a monthly basis. <i>PostalOne!</i> sites must review and, if necessary, reconcile PS Form 3083 and the “Master Trust-General Ledger (eaGLE) vs. <i>PostalOne!</i> Summary” report in the ADM (see F-101, <i>Field Accounting Procedures</i> Section 16-4.2, <i>Reconciling Advanced Deposit Accounts</i>). Non- <i>PostalOne!</i> sites, must reconcile mailer trust accounts in the ADM at least once a month. Retail/AO units must reconcile mailer trust accounts in the ADM at least once a month (see F-101, <i>Field Accounting Procedures</i> Section 16-4.2, <i>Reconciling Advanced Deposit Accounts</i>).
PS Form 8075, Mailer Notification Log for Disqualified Mailings Chapter 3, Verification	The postmaster/supervisor must review the Disqualified Mail Log on a daily basis and discuss mail quality issues with acceptance employees, as necessary. The postmaster/supervisor must contact the mailer immediately to discuss any unresolved errors identified in the log, provide feedback on root causes of errors and corrective measures, and coordinate with the mailer, Retail/AO unit/Convenience Deposit Point concerning resolution.
MPCV Verification Log Chapter 3, Verification	The postmaster/supervisor must verify that the Mailpiece Count Verification (MPCV) Log is completed, and submitted quarterly (or per the agreement) to the BMS analyst. The postmaster or BME supervisor must review the mail piece count worksheet and note corrective actions taken to resolve system discrepancies in Section A of the log. The postmaster/supervisor may coordinate with the BMS analyst to implement corrective actions, as necessary.
Bypass Mail Log, PS Form 8069 Section 2, BMEU Operations	The postmaster/supervisor must ensure that postage statements found without mail are billed, and the discrepancy is recorded on the Bypass Mail Log. At <i>PostalOne!</i> sites, this log is compiled by and maintained in the <i>PostalOne!</i> system during statement processing. For non- <i>PostalOne!</i> sites this will be managed via the hardcopy log. Ensure that corrective action(s) are taken and recorded, and the log is maintained at the acceptance site. Coordinate with the mailer, Retail/AO unit/Convenience Deposit Point, and plant operations concerning resolution. See Chapter 2, Section 2-7, <i>Unpaid Mail</i> .

Table 1-4 (page 2 of 3)

Acceptance Site Management Responsibilities

Title/Forms	Procedures
Inactive Permit Imprint Accounts Chapter 3, Verification	<p>The postmaster/supervisor is responsible for the closing of permit imprint accounts with no mailing activity (i.e., no mailings submitted) for two years — with balances exceeding \$25 — through a written cancellation notice. If a mailer responds to the notice within 30 days with a current address, applicable refunds must be processed and the permit imprint account closed. If a mailer does not respond to the cancellation within 30 days, the account must be closed and available funds must be held with an appropriate account identifier code (AIC), in the event that a mailer requests a refund. If a refund is provided to the customer, a copy of the customer's PS-Form 3533 is kept on file for 12 months.</p> <p>See Handbook F-101, <i>Field Accounting Procedures</i> Section 16-7, <i>Closing Customer Accounts for Inactivity</i>, for specific procedures for closing inactive permit imprint accounts.</p>
Inactive Periodicals Accounts Chapter 5, Periodicals	<p>The postmaster/supervisor is responsible for monitoring Periodicals accounts — with no mailing activity for one year — at additional entry offices and ensuring these accounts are reported to the PCSC. The PCSC will contact mailers in writing regarding the revocation or suspension of Periodicals privileges.</p> <p>For original entry offices, Periodicals permits remain valid as long as the entry office services the publication's known office of publication. A copy of each issue must be filed at the original entry for compliance with USPS frequency requirements.</p> <p>For additional entry offices, copies of a Periodicals publication must be presented at each additional entry (including contingency entries) at least once each calendar year. If a refund is provided to the customer, a copy of the customer's PS-Form 3533 is kept on file for 12 months.</p>
Periodicals Reviews Chapter 5, Periodicals	<p>Postmasters or BMEU supervisors must ensure that mailing requirements clerks or mailing standards specialists review Periodicals for the following: 75% advertising threshold, stated publication frequency, eligibility, postage payment, 10% non-subscriber copies mailed, and statement of ownership (see Chapter 5, Periodicals).</p>
Timely and Accurate Reporting of Postage Payments	<p>The postmaster/supervisor is responsible to ensure that all postage statements are processing in the <i>PostalOne!</i> system (or recording on manual ledgers and reported in the Retail system) at the time the mailing is accepted. The postmaster/supervisor is responsible must ensure that dates on the postage statement reflect the dates that the mail was submitted, verified, and released. When postage statement adjustments or reversals are required, ensure the original mailing date is also captured to reflect the date of postage statement re-submission, to comply with timely entry requirements.</p>
Nonprofit Mailer Authorization Section 3-3.2, Review the Mailer's Account	<p>The postmaster/supervisor is to ensure that acceptance employees are verifying that all mailers claiming Nonprofit Standard Mail® prices have current Nonprofit authorizations. Authorization numbers must match the mailer's authorization record, and if there is not a match, the mailer is not eligible for Nonprofit Standard Mail prices.</p>
Mailer Account Data Quality Management	<p>The postmaster/supervisor is responsible to verify the quality of Mailer Account information input into the <i>PostalOne!</i> system. All data entered must be reviewed for integrity (e.g., no abbreviations are being used, valid physical and email addresses are being entered, all Nonprofit authorizations are valid and current, and no missing or duplicate entries). Acceptance employees must verify data quality during and after each transaction and the postmasters/ supervisors must select a sample for review at least once a quarter. Quality checks should be performed on both new and existing and entered accounts.</p>
USPS Office of the Inspector General Report Review Exhibit 1-2, "BMEU Supervisor Checklist"	<p>BME managers, postmasters, BMEU supervisors must review USPS Office of the Inspector General (OIG) and Financial Control and Support (FCS) audit reports. BME managers ensure that BMEU supervisors are — and postmasters receive guidance for — correcting identified deficiencies, immediately addressing systemic issues, and maintaining ongoing compliance.</p>
Manifest Mail Quarterly Accuracy Worksheet	<p>For <i>PostalOne!</i> sites, BME managers, or designee, must review the worksheet quarterly per Publication 401, Guide to the Manifest Mailing System, which is available at http://ribbs.usps.gov/mac/documents/tech_guides/PUBS/PUB_401.PDF. Reviews maybe required based on results. Non-<i>PostalOne!</i> sites must complete the worksheets manually.</p>

Table 1-4 (page 3 of 3)

Acceptance Site Management Responsibilities

Title/Forms	Procedures
BME SOX Certification Questionnaire	Business Mail Entry supervisors and acceptance site supervisors/postmasters must ensure the completion of the "Certification Questionnaire" in <i>PostalOne!</i> for their assigned sites on their required certification frequencies; and ensure that any identified deficiencies are reviewed and addressed in a timely manner.
Certification Questionnaire Report	The Manager Business Mail Entry must review the "Certification Questionnaire Report" in <i>PostalOne!</i> on a weekly basis. This report identifies all units that have not completed their required certifications during the selected time period and displays any deficiencies identified in the questionnaires. The Manager Business Mail Entry must ensure that all units are completing the certification questionnaire according to their required certification frequencies, and ensure any identified deficiencies are reviewed and addressed in a timely manner.
Aged Statement Report	The postmaster/ supervisor must review the "Aged Statements Report" in Automatic System Reporting (ASR) on a daily basis. This report provides a listing of all postage statements that have not been properly billed, cancelled, or completed by displaying detailed information. The postmaster/supervisor must also take action to close statements once these postage statements have been identified.
Override Report	The District Manager, Business Mail Entry (MBME) must review the "Override Report" in Automated System Reporting (ASR) on a weekly basis to ensure that all exceptions are occurring according to correct acceptance policy.
Override Report (<i>PostalOne!</i>)	The postmaster/ supervisor must review the "Override Report" in <i>PostalOne!</i> on a daily basis and take action to ensure that all exceptions are occurring according to correct acceptance policy. Note: Manual sites do not have an Override Report to review.
Oversight Report	The postmaster/supervisor/delegate must review the "Oversight Report" in <i>PostalOne!</i> on a weekly basis and take action to ensure that all exceptions are occurring according to correct acceptance policy

1-4.1 *PostalOne!* 2nd Concurring Employee Transaction

PostalOne! override transactions require a second employee to concur by entering their username and password. The second password can be entered immediately before the transaction is submitted or it can be entered later via the Concur Transactions link in the *PostalOne!* system.

All Reversal transactions, insufficient balance transactions and fees not paid transactions are submitted to the data base immediately, but still require a 2nd party concurrence (2nd password). Refund and Cancelling Dormant Jobs transactions will not be submitted to the data base without a 2nd party concurrence (2nd password).

For transactions with insufficient balance or fees not paid, a password override is not required when there is an entry in "Check Capture" for a deposit or mail-in fee within the previous 24 hours. The previous 24 hours includes only business days, not Sundays or holidays.

2 BMEU Operations

This chapter describes BMEU operating procedures including the following: development of the operating profile and integrated operating plan; mailflow, including receiving and processing mail; establishing Detached Mail Units (DMU); verifying plant load mailings; verifying Plant-Verified Drop Shipment (PVDS) mailings; management of Convenience Deposit Point (CDP) mailings; and, managing and addressing unpaid mail.

Chapter 2 is divided into the following sections:

Section	Title
2-1	BMEU Operating Profile/Integrated Operating Plan
2-2	Mailflow
2-3	Detached Mail Units
2-4	Plant Load Mailings
2-5	Plant Verified Drop Shipment
2-6	Convenience Deposit Points
2-7	Unpaid Mail

2-1 BMEU Operating Profile/Integrated Operating Plan

This section provides guidelines on the operational duties and responsibilities for creating a BMEU Operating Profile and developing the Integrated Operating Plan (IOP) for Offices designated as Business Mail Acceptance and BMEUs located with mail processing plants.

2-1.1 BMEU Operating Profile

A BMEU operating profile describes the operational duties and responsibilities of the BMEU, DMU, Convenience Deposit Point (CDP), and Retail/Associate Office (AO) units. The BME manager is responsible for ensuring that an operating profile is created and approved on an annual basis, by every acceptance site staffing LDC 79 or BMEU-titled USPS employees. The operating profile must be maintained at acceptance sites and a copy must be filed with the BME manager.

The operating profile must include:

- Measurable tasks performed.
- Information for daily operation of the unit.

See Exhibit 2-1, "Sample BMEU Operating Profile Overview," for a sample operating profile.

2-1.2 Integrated Operating Plan

Acceptance sites along with Mail Processing Operations must develop and maintain an Integrated Operating Plan (IOP). Acceptance sites can include

Business Mail Entry Units (BMEUs), Associate Offices (AOs), Stations and Branches, and Detached Mail Unit (DMUs).

The IOP is jointly developed by the acceptance site and mail processing operations to establish the CATs and Critical Clearance Times (CCTs) by classes of mail, for mail received at the acceptance unit. Where Convenience Deposit Points (CDPs) are in place, the agreement will include the transportation and transportation times from the CDP location to the plant/BMEU. The IOP must be signed by the appropriate facility managers and kept on site at the BMEU or Acceptance office. The information in the IOP must be entered into the Facilities Database (FDB) and updated whenever the IOP is changed.

See Exhibit 2-2, "Sample Joint Plant/BMEU Integrated Operating Plan."

2-1.3 Scales

Each acceptance site is required to maintain all necessary scales for weighing and verifying mailings. All applicable scales must be calibrated by USPS maintenance personnel, a government weights and measures agency, or by a private scale firm annually. Acceptance employees are responsible for testing scales daily (see Exhibit 2-3, "Scales").

2-2 Mailflow

This section describes procedures for controlling and tracking mailings entering acceptance units and covers the following: mail handling procedures during submission by business mailers; mail handling procedures before, during, and after verification.

2-2.1 Mail Staging

Acceptance personnel must ensure that mailings arriving at the acceptance unit are controlled. Mailings entering acceptance must be separated to distinguish mail requiring verification and acceptance (unpaid) from mail that has been cleared (postage paid) and is ready for release to processing or transportation.

Every mailing on the acceptance unit floor or dock must be clearly identified to determine the status of acceptance that the mailing is in. This identification can occur through staging or use of appropriate signage to signify the acceptance or verification status of the mailing. Acceptance employees should not process any business mailings without the proper documentation or appropriate identification of the mailings' status on the dock or floor.

Note: USPS employees are required to place unidentified mail on hold and notify the postmaster/supervisor for further action (see Section 2-7.2.1, *Standard Procedures for Handling Un-Verified Mailings*).

2-2.2 Verification and Acceptance

Acceptance employees are required to perform verification procedures and collect the proper amount of postage for all mailings using business mail services or claiming work share prices (see Chapter 3, *Verification*). Mailers are required to check-in with an acceptance employee prior to unloading mailings and present all required documentation, as applicable (i.e., postage statements, USPS Qualification Report, carrier route listing). This ensures that acceptance employees are able to provide immediate service to a mailer and that there are no unidentified mailings on the acceptance unit floor or dock.

Acceptance employees should encourage the mailers to be present during the Acceptance and Verification process. This provides the mailer with the opportunity to observe verification procedures, correct any irregularities in a timely manner, and agree to additional postage charges immediately, if applicable.

Regardless of whether the acceptance unit is using the LMAP process or a one-on-one method all verification activities identified in Chapter 3, *Verification* must be followed as required.

2-3 Detached Mail Units

A Detached Mail Unit (DMU) is a USPS work area or office located in a mailer's plant or place of operation. USPS acceptance employees are dispatched to DMUs to verify mail. Postmasters and BMEU supervisors are encouraged to rotate acceptance employees to avoid conflict of interest concerns or issues. Verification procedures for DMU locations are identical to BMEU procedures outlined in Chapter 3, *Verification* and may require the creation of a Customer Service Agreement (CSA). For Special Postage Payment Systems mailers, see Chapter 9, *Special Postage Payment Systems*.

This section explains the procedures for establishing and operating a DMU including site requirements, employee staffing and mail scheduling.

2-3.1 Authorization Agreement

Mailers must request and receive authorization from the Postal Service to designate their plant or place of operation as a DMU. The mailer must provide a dedicated work space or offices where acceptance employees can work safely and efficiently to perform all required mail verification activities. In addition to USPS authorization, an acceptance site must be able to provide adequate staffing at DMU sites for the proper and timely verification of DMU mailings.

Note: In specific authorized circumstances, the Postal Service may establish an "as-required" DMU (also known as a "convenience DMU"). As-required DMUs are designed to accommodate mailers who do not require regular or full time staffing (i.e., less than eight hours daily). In these instances, requirements for dedicated working space in a plant may be waived. Dedicated work space waivers must be authorized by the Postal Service, and documented in the DMU authorization agreement (see Handbook PO-512, *Plant Loading Authorization and Procedures Guideline*). Once an authorization agreement has been established, the Facilities Database (FDB) must be updated and a cost center code must be assigned.

2-3.2 Site Requirements for DMU Authorization

Prior to authorizing a plant load for DMU placement, a mailer must agree to provide the following:

- a) A safe working environment for all acceptance employees (see *Employee and Labor Relations Manual (ELM)*, Chapter 8, *Safety, Health, and Environment*).
- b) A secure location for acceptance employees to verify mailings and secure USPS equipment and records (e.g., a lockable room for work space and/or lockable cage or room for equipment and records)

Note: All DMUs established prior to July 1999 are exempt from the secure location requirement, but must ensure that all USPS resources are secure when acceptance employees are not on-site.

Note: Mail Evaluation Readability and Lookup Instruments (MERLIN) are not required to be staged in rooms that are physically separate from the mailer's floor, however MERLIN access must be restricted to BMEU acceptance employees only and access panels must be locked at all times.

- c) Equipment needed to verify mailings and conduct USPS business, such as a telephone(s), high-speed Internet connectivity for access to *PostalOne!*, desk, filing cabinets, chairs, and floor scales for weight verification.

Note: The Postal Service may provide the DMU some manner of telecommunications connectivity (i.e., high speed Internet connection) for DMU sites. However, mailers may choose to absorb the cost of installing and maintaining a connectivity line for USPS use. The Postal Service may provide MERLIN machines, as deemed necessary.

- d) Scales calibrated by an independent agency (see Exhibit 2-3, "Scales"). Acceptance employees are responsible for testing scales daily and recording test results to a daily DMU scale log.
- e) Observation space that allows DMU acceptance employees to monitor staged mail and cleared mail for loading onto USPS or third-party vehicles.

Note: If the mailer cannot meet any of the above specified conditions, the BME manager may choose not to authorize a DMU within the mailer's plant or place of operation. Additionally, the BME manager reserves the right to revoke an authorization for a DMU site and discontinue DMU verification and acceptance at that site if a mailer fails to meet any of the above specified conditions at any time.

2-3.3 DMU Staffing Responsibilities

DMU offices are staffed with acceptance employees on a full-time or "as-required" basis, at the discretion of the postmaster/supervisor.

Postmasters/BMEU supervisors are responsible for scheduling acceptance employees to meet the production schedule of the mailer, as staffing allows (see Section 2-3.4, *Scheduling for Projected Production*). All DMU acceptance employees must have completed the National Center for Educational Development (NCED) Business Mail Academy in Norman, Oklahoma.

In order for acceptance employees to gain critical experience in verifying mail at different locations and situations, BMEU supervisors and postmasters are required to rotate DMU staffing, as staffing allows. However, acceptance employee rotation assignments are made at the discretion of the BME manager, postmaster, or BMEU supervisor and should be based on the experience and number of available acceptance employees.

The sponsoring BMEU or Retail/AO unit must ensure that acceptance employees have access to all documents and manuals required for verification (see Exhibit 2-4, "Detached Mail Unit Library"). A DMU may store forms and manuals in hardcopy or acceptance employees can access all materials on

the USPS intranet (if DMU has Internet connectivity). DMU sites equipped with an Advanced Computer Environment (ACE) or access to *PostalOne!* are not required to maintain hardcopies of forms and manuals.

The postmaster must coordinate with the BME manager and District Manager for Finance to establish the daily DMU operations and budget (see Handbook M-32, *Management Operating Data System*). The BME manager must also ensure that a compliance and performance review of each DMU is conducted every six months. The compliance review will consist of reviewing the authorization agreement between the Postal Service and the mailer to ensure compliance with site requirements. Acceptance employee performance reviews can be conducted through the required six month Employee Performance Assessment (EPA) review.

2-3.4 Scheduling for Projected Production

The postmaster/supervisor is responsible for obtaining a weekly production schedule from the mailers at all DMU sites as far in advanced as possible, and coordinate with the Business Service Network (BSN) regarding large volume mail notification (see Section 2-3.4.1, *Management Responsibilities for Production*). The postmaster/supervisor is also responsible for creating, maintaining, and updating DMU staffing schedules to meet the verification and acceptance needs of the mailer (as outlined in each DMU authorization agreement). The DMU staffing schedule must take into account production scheduling, mail transportation requirements, supply needs, and USPS equipment availability.

To coordinate DMU weekly staffing needs, the postmaster/supervisor must perform the following steps:

- a) Obtain the mailer's projected production schedule for the upcoming week from the mailer's point-of-contact each Friday, before the close of business or the end of the last tour (or shift) of the business day.
- b) Assign acceptance employees for scheduled mailer jobs on a hardcopy schedule (e.g., Microsoft Excel spreadsheet) on the BMEU or DMU bulletin board.
- c) Review the plant load shipment schedule to determine whether direct loads are being created by staging and combining job segments.
- d) Update the staffing schedule as necessary, or as changes are received from the mailer or mailer's point-of-contact.
- e) Make any necessary staffing adjustments and communicate changes to DMU acceptance employees.
- f) Ensure that acceptance employees verify that the mailer has paid outstanding fees and sufficient funds are available in the mailer's account for scheduled mailings.
- g) Ensure that acceptance employees verify that mailers have authorization for each type of mailing (i.e., Nonprofit, Periodicals, First-Class Mail®, etc.).
- h) Ensure acceptance employees are entering postage statement information into *PostalOne!* by the close of the business day.

The USPS Area Office Distribution Network (DN) is responsible for preparing and distributing weekly transportation schedules for all postal operations in an assigned area (see POM 473, *Transportation Schedules*). Certain facilities

may require that acceptance employees contact the DN, BMEU, or other postal facility to arrange mail transportation for a DMU site.

2-3.4.1 Management Responsibilities for Production

The mailer must provide advance notice to the postmaster/supervisor for shipping or production for the Postal Service to make appropriate operational changes, as outlined by applicable plant load authorization agreement conditions. If circumstances prevent the mailer from providing advance notice, the mailer must contact the USPS Business Service Network (BSN), postmaster, or BMEU supervisor to arrange transportation and DMU staffing, as required.

The sponsoring BMEU or Post Office™ is responsible for ensuring that the DMU is properly staffed. DMU acceptance employees should use USPS vehicles when available. If an acceptance employee chooses to use a personal vehicle when a USPS vehicle is available, the acceptance employee must be aware of liability information as cited in PO-701, *Fleet Management* and PO-702, *Tort Claims Administration*. If a USPS vehicle is not available, an acceptance employee may use a personal vehicle for transportation to a DMU site.

2-4 Plant Load Mailings

The Postal Service offers plant load mailing services to mailers seeking to directly transport — mailer direct transport or USPS transportation — verified and accepted mail from a plant to USPS sites for processing and distribution. In order for a BMEU to authorize plant load mailing services, mailers must complete and submit PS Form 3815, *Plant Load Authorization Application, Worksheet, and Agreement*. Plant load mailing service requirements and guidelines are also described in the following documents and Handbook DM-109 sections:

- DMM Section 705.14, *Plant Load Mailings*;
- *Postal Operations Manual* (POM) Section 327, *Plant Load Operations*;
- Handbook PO-512, *Plant Loading Authorization and Procedures Guidelines*;
- Handbook DM-109 Section 2-2, *Mailflow*;
- Handbook DM-109 Section 2-3, *Detached Mail Units*; and,
- Handbook DM-109 Chapter 3, *Verification*.

2-4.1 Vehicle Loading Responsibilities

This section describes vehicle loading responsibility, required documentation and preload procedures, trailer inspection and capacity, and trailer sortation examination.

Mailers are not permitted to load Plant Verified Drop Shipment or USPS vehicles without an acceptance employee on site. Acceptance employees must verify all mail loaded onto trucks has been verified and cleared.

Acceptance employees may perform the following:

- Sample the Mail:
 - a) Examine container labels to verify that the job numbers on the labels match the job numbers on the corresponding documentation for verified mail.

- b) Verify that destination labels match the destination(s) indicated in corresponding documentation.
 - c) Check all pallets to verify proper preparation (e.g., sleeving, shrink-wrapping, maximum height) and stacking.
 - d) Count and compare the number of containers loaded onto vehicles and to the number indicated on corresponding documentation to ensure the two numbers match.
 - e) Verify that the mailer physically separated mailings and loaded them in the proper sequence.
 - f) To ensure stability during mail transportation, verify that the mail load is properly distributed and the mailer uses blocks and/or braces, when required.
- *Observe the vehicle loading process* — As staffing allows, an acceptance employee may be assigned to observe the entire loading procedure. If staffing is limited, the mailer may be required to inform an acceptance employee when each mailing is ready to be examined, prior to the loading of each vehicle.
 - *Verified/Cleared Mail Staging* — As mailer space allows, the mailer may choose to stage verified and cleared mail in a holding area. An acceptance employee may periodically examine several mailings and release those mailings for vehicle loading.

Note: Mailers are required to organize mail in vehicles according to destination(s) (i.e., group mailings to the same destination together in the vehicle), in accordance with plant load agreements. This will minimize USPS mail handling and maximize postal equipment utilization efficiency (see POM 327.53, *Determination of Vehicle Makeup Requirements* or PO-512 6-2.1, *Determination of Vehicle Makeup Requirements*). Mailers are also required to build and arrange pallets to maintain stability, integrity, and safety during transport (see DMM Section 705.8.0, *Preparing Pallets*).

2-4.1.1 Loading Discrepancy Findings

If acceptance employees find discrepancies between the volume of the mail verified and the volume that was actually loaded onto vehicles, acceptance employees must notify the postmaster/supervisor immediately and document the occurrence in The comments section of the postage statement, and record it on the Mailing Disqualification Log. The following is a list of actions that must be performed for each instance or finding — up to three occurrences — within one calendar year:

- *First Finding* — The acceptance employee must notify the mailer and remove all mailings identified as un-verified. The mailer has the option to adjust the postage statement to reflect any un-verified mail, or submit the unverified mail for verification and acceptance.
- *Second Finding* — The mailer must unload mailing from the vehicles. The acceptance employee must verify that mail loaded into trucks was verified and accepted and remove all mailings identified as un-verified. The mailer has the option to adjust the postage statement to reflect any un-verified mail, or submit the unverified mail for verification and acceptance. The BME manager must inform the mailer that upon third occurrence, the plant load authorization may be revoked.

- **Third Finding** — The mailer must unload mailing from the vehicles and perform the procedures as described in *Second Finding*. Upon the third finding, at discretion of the BME manager, the plant load authorization may be revoked.

2-4.2 Preloading Procedure

For mailings with a pre-established release or mail date, the mailer may elect to make arrangements with US the Postal Service PS in the Plant Load Authorization (see Section 2-4, *Plant Load Mailings*) to preload verified mail onto a non-USPS vehicle for mail storage until a later pre-determined release date. The vehicle loading responsibilities for acceptance employees are identical (see Section 2-4.1, *Vehicle Loading Responsibilities*); however, between loadings and upon load completion, acceptance employees must seal non-USPS vehicles with numbered seals. Acceptance employees must be physically present to monitor the vehicle preloading process.

If a preload is authorized, the acceptance employee must:

- a) Monitor vehicle loading.
- b) Seal vehicles with USPS numbered seals after each preload session.

On the date of mail release, the acceptance employee must:

- a) Re-seal the vehicle with USPS numbered seals.
- b) Process and store the mailing statements.

2-4.3 Maintaining Plant Load Logs

The acceptance employee must maintain the following logs for plant load activity:

- *PS Form 8015, Plant Load Vehicle Log*: Records the movement of vehicles serving a mailer's plant to determine whether a mailer is assessed charges for non-postal services.
- *PS Form 8016, Plant Load Mailing Log*: Reviews plant load operations and monitors service quality. This form provides the postmaster and district office information for planning service improvements, and documents the benefits of the plant load operation.

Note: For non-*PostalOne!* sites, acceptance employees must use the hardcopy forms.

2-4.4 USPS and USPS Contracted Trailer Inspection

The acceptance employee must examine and verify that USPS and USPS contracted vehicle trailers are roadworthy before mail is loaded. Employees visually verify that vehicle trailers are fully enclosed and that there are no tears in the roof or floor. USPS vehicle safety, hazard regulations, and inspection procedures are available online in MI PO-540 1999-1, *Trailer Repositioning Program*, in Section "Trailer Inspection." Any safety hazards identified during the inspection must be noted on either PS Form 5201, *Mail Van Inspection* or PS Form 4577, *Lease Vehicle Condition Report*.

If a vehicle does not pass inspection, the vehicle must be removed from service immediately. The third-party vendor (for USPS contracted vehicles) and/or the DN (for USPS vehicles) must be notified of inspection failures immediately.

2-4.5 Trailer Capacity and Transportation Criteria

Plant load operations must result in a net cost-savings for the Postal Service. Trailer capacity is determined according to formulas specified in POM 327.313 “Net Cost-Savings.”

2-4.6 Plant Load Types

There are several types of plant load authorizations (e.g., Expedited Plant Load, Continuous Plant Load, General Plant Load). For a detailed description of each plant load type and detailer regarding transportation, responsibilities, postage payment, and required documentation, see DMM Section, 705.14.0, *Plant Load Mailings*.

2-5 Plant-Verified Drop Shipment

Plant-Verified Drop Shipment (PVDS) allows mailings to be verified and the related postage payment made at an origin postal facility (BMEU, DMU, or AO) and then returned to the mailer for transport to a destination postal facility (i.e., Network_Distribution Center, Area Distribution Center, Sectional Center Facility, Delivery Unit) and inducted as mail for processing and distribution. Postage for PVDS mailings may be calculated at destination entry prices or at the applicable prices for the origin entry facility.

2-5.1 Verification by Origin Office Acceptance Employees

In addition to required verification and acceptance procedures, acceptance personnel must perform additional procedures for PVDS mailings to ensure the mailings meet classification, preparation, and presentation requirements to qualify for drop-ship entry discounts.

For all PVDS mailings, the origin office acceptance clerk is responsible for performing an Initial verification to assure that the mailer has accurately completed the PVDS form(s).

As required the origin office acceptance clerk will perform an In-depth verification on PVDS mailings to validate the mailer’s claimed entry level discounts, the accuracy and completeness of the drop shipment documentation and the correct make up of containers for a specified destination(s).

For mailers who have Special Postage Payment Systems (SPPS) authorized by Business Mailers Support), acceptance personnel must follow the procedures identified within the SPPS agreements or SOPs.

In the event that a PVDS mailing fails verification all of the associated PVDS mail within the mailing(s) must be stopped until the verification discrepancies are resolve or additional postage has been collected. If the mailer elects to correct the mailing will be reverified and the next subsequent mailing will require and in-depth.

2-5.2 Postage Statements

A mailer must submit one of the following postage statements, along with required supporting documentation, for each PVDS mailing.

- PS Form 3602-C (*Consolidated- Supplement Standard Mail and Nonprofit Standard Mail*).
- PS Form 3602-N (*Nonprofit Standard Mail*).
- PS Form 3602-R (*Standard Mail*).

- PS Form 3605-R (*Package Services*).

2-5.3 PVDS Documents

A mailer must submit one of the following verification and clearance documents for each destination entry for each PVDS mailing.

- PS Form 8125 (*PVDS Verification and Clearance*).
- PS Form 8125-C (*PVDS Consolidated Verification and Clearance*).
- PS Form 8125-CD (*PVDS DSMS*).
- PS Form 8125-CP (*PVDS Verification and Clearance for Periodicals Paid Under CPP*).

2-5.4 Mailers' Appointments

Though an appointment number is not required on the PVDS dropshipment form (8125, 8125C, 8125CD) at the time of mailing, mailers are required to make an appointment in FAST (Facilities Access and System Tracking) at least 24 hours prior to the scheduled deposit time at destination facilities.

2-5.5 Expedited Plant-Load

Expedited Plant-Load allows a mailer to move origin mail from the DMU to the origin postal facility or facilities within a designated service ZIP Code area on the mailer's transportation and at the mailer's expense to expedite service. There are no pricing discounts or other postage benefits provided for Expedited Plant-Load mail.

Although an appointment number is not required on the Expedited Plant-Load form 8017 at the time of mailing, mailers are required to have a recurring appointment or make an appointment in FAST (Facilities Access and System Tracking) at least 24 hours prior to the scheduled deposit time at destination facilities.

2-5.5.1 Application

To request Expedited Plant-Load, a mailer must submit PS Form 8026, *Expedited Shipment Agreement for Plant-Load Mailings*, to the origin post office. Concurrence is required by an Origin Post Office Representative, the USPS Area Office of Distribution and Networks, and may require the creation of a Customer Service Agreement (CSA).

2-5.5.2 PS Form 8017

Mailings shipped by Expedited Plant-Load must have PS Form 8017, *Expedited Plant-Load Shipment Clearance*, attached.

2-5.6 Load Discrepancy

PVDS mailing discrepancies discovered at destination entry facilities must be resolved before the mailing will be inducted. Discrepancies should be entered into eMIR (Electronic Mail Improvement Reporting) along with a scanned image of the relevant drop shipment documentation (8125, 8125C, 8125CD). The origin acceptance office must work with the mailer to obtain resolution steps to prevent the discrepancies from reoccurring.

Some discrepancies will require the destination facility to contact the origin acceptance office in order to obtain resolution. Origin acceptance offices must work with destination facility, the mailer, and the logistics companies to obtain resolution that will enable the mail to be inducted if possible. If any

discrepancies indicate that the mail being inducted no longer qualifies for the destination entry discounts claimed the origin office must collect the additional postage as necessary.

2-5.7 PVDS Mailing Refusal

PVDS mailings refused by destination entry facilities should be entered into eMIR (Electronic Mail Improvement Reporting). Origin acceptance offices must work with destination facilities and mailers to reconcile issues causing mail refusals to prevent reoccurrences.

2-6 Convenience Deposit Points

The Postal Service may authorize convenience deposit points (CDP) at local postal facilities (i.e., Associate Office (AO)/retail units). Mailers with limited access to BMEUs may deposit small quantities of business mail at CDP sites. The BME manager must require all authorized mailers to have access to *PostalOne!* and submit CDP mailing documentation via Postal Wizard (see Section 8-4, “External User Access to *PostalOne!*”). The BME manager must also ensure that postal operations and local postal facilities are aware that mailers are required to submit electronic postage statements. Hardcopy postage statements will not be submitted with the mail. Mailers must submit electronic postage statements along with mailings to the CDP location. Mailers are limited to no more than two mailings each day. Once CDP mailings have been collected by the local postal facility, these mailings are then transported to a sponsoring BMEU or Post Office for verification. Verification procedures for CDP mailings are identical to standard BMEU verification procedures (see Chapter 3, *Verification*).

2-6.1 Management of CDP Location

BMEU management must work closely with local postal facility management and operations to establish processes, procedural training, controls, and procedures at authorized CDP locations to ensure that CDP mailings are properly verified and that proper postage is collected. To reduce the risk of unpaid mailings (see Section 2-7, *Unpaid Mail*), CDP standard operating procedures must be reviewed and updated every six months — or at any time it is found that CDP mailings procedures are not being followed — at each sponsoring BMEU or Post Office, and CDP location. The following describes BMEU, local postal facility, and operations responsibilities for managing the submission, collection, transportation, and verification of CDP mailings.

- *BME manager* — Must confirm that reviews of CDP operations at authorized CDP locations and sponsoring BMEUs or Post Offices are conducted every six months to confirm that CDP mailings are being properly submitted, collected, transported, and verified.
- *BMEU supervisor* — Must work with local postal facility management to establish standard procedures for CDP mailing submission, collection, and transportation. The BMEU supervisor must also monitor CDP operations and conduct a review of those operations at the sponsoring BMEU to ensure all CDP mailings are verified in accordance with standard verification procedures, every six months. The BMEU supervisor must notify the BME manager regarding CDP process irregularities and corrective actions.

- *CDP location management* — Must collaborate with BMEU management to establish procedures for submission, collection, and transportation of CDP mailings. Local postal facilities with authorized CDP locations must have a written narrative that includes a set of standard operating procedures for submission, collection, and if applicable, storage of CDP mailings (see Exhibit 2-5, “Sample Convenience Deposit Point SOP”).

Local postal facilities with authorized CDP locations must maintain a CDP Daily Mailing Log. Incoming CDP mailings must be recorded and a copy must be maintained for 90 days. BMEUs must retain a log for six months, of all CDP mailings transported from local postal facilities to sponsoring BMEUs for verification.

2-6.2 Local Postal Facility Administration of CDP

Local postal facilities must establish standard operating procedures for submission and collection of CDP mailings. Additionally, local postal facilities must adhere to the following guidelines:

- a) CDP mailers must submit electronic postage statements through Postal Wizard and submit a hardcopy confirmation number page, generated from *PostalOne!*, with the mailing.
- b) The CDP submission deadline must be set based on critical entry time and the local postal facility’s discretion, to avoid service delays for other postal mailers.
- c) CDP mailers may submit a maximum of two CDP mailings each business day.
- d) If a local postal facility does not receive any CDP mailings for one business day, a copy of the CDP Daily Mailing log must still be sent to the BMEU. If there are no CDP mailings, “NEGATIVE” must be noted on the CDP Daily Mailing Log, and the log must be mailed or faxed to the BMEU before the close of business. Copies of the negative report must be stored in the same manner as other CDP Daily Mailing Logs.

2-6.3 Standard Operating Procedures for CDP Collection and Transportation

Designated local postal facility employees must perform the following procedures for the collection and transportation of all CDP mailings:

- a) Log CDP mailing submissions on the neon green *CDP Daily Mailing Log* (see Exhibit 2-6, “CDP Daily Mailing Log”). Original logs must be attached to CDP mailings for transportation, and a copy must be retained for 90 days at the local postal facility.
- b) Sign, date, and record the alpha code assigned to the mailing in the *USPS Use Only* section of the postage statement. Attach a copy of the postage statement to the CDP Daily Mailing Log and retain it for 90 days.
- c) Place applicable neon green BMEU sack or tray labels on top of existing presort labels. Do not remove existing tray or sack label.
- d) Record the assigned alpha code on each neon green BMEU label. Labels must contain the following information:
 - i) Local postal facility name;
 - ii) Lot number and sack number (e.g., Lot A Sack 1 of 3);

- iii) City, State, and 3-digit ZIP™ Code;
- e) Place the labeled sack or tray into a mail container for transportation;
- f) Prior to dispatch, place a laminated neon green placard with the name of the receiving BMEU face-out in a clear plastic sleeve or a neon green nylon pouch; and,
- g) Place the original CDP Daily Mailing Log and any accompanying documentation into the plastic sleeve or neon green nylon pouch and attach the sleeve or pouch to the top right side of the container (if there is more than one container, place a green placard on each container and number sequentially).

Note: All CDP mailings must be submitted and collected by local facilities for transportation to the sponsoring BMEU for verification. CDP mailings submitted at local postal facilities have NOT been verified and postage has NOT been collected. DO NOT induct any CDP mailings submitted by mailers, directly into operations.

2-6.4 Receiving Dock Operations for CDP Mailings

When CDP mailings arrive at the sponsoring BMEU for verification and acceptance, the following procedures must be performed on the receiving dock to ensure that all CDP mailings are accounted for and all irregularities are identified:

- a) The dock Motor Vehicle Services (MVS) supervisor will monitor the unloading procedure to ensure that CDP mailings are not mixed with other mail, and mistakenly transported directly to processing. When picking up CDP mail, the MVS supervisor will verify that rolling stock is properly addressed for the BMEU and mailings are transported to the CDP staging area.
- b) Mailhandlers will move all CDP mailings (containers with neon green placards attached) as soon as the mail is unloaded from USPS transportation vehicles. Mailhandlers must notify the BMEU supervisor immediately of any irregularities (i.e., out of sequence or missing containers are noted).

Note: If CDP mailings (trays or sacks with neon green labels or containers with neon green placards) are found in any place other than the incoming dock or BMEU, immediately contact the BMEU supervisor. CDP mailings MUST NOT be inducted into mail processing without proper verification.

2-6.5 BMEU Management and Acceptance Employee Procedures

After the mail has been unloaded and transported to the BMEU, the following procedures must be performed to ensure that all CDP mailings are verified and proper postage has been affixed or collected:

- a) The acceptance employee must date, sign, and record the arrival time of CDP mailings on the CDP Daily Mailing Log.
- b) Acceptance employees must open the *PostalOne!* dashboard and access the mailer's electronic postage statement for the CDP mailing.
- c) Acceptance employees must compare the information on the CDP Daily Mailing Log with the information on electronic postage

statements and record any discrepancies on the CDP BMEU Discrepancy Log for resolution.

- d) Acceptance employees must count the number of containers received from the local postal facility and ensure that the number matches the count on electronic postage statements and the CDP Daily Mailing Log. Record discrepancies on the CDP BMEU Discrepancy Log (see Exhibit 2-5, "Sample Convenience Deposit Point SOP") and resolve.
- e) Acceptance employees must initial the CDP Daily Mailing Log for each CDP mailing received without problems or discrepancies. Report any of the following circumstances that are not resolved, on the Bypass Mail Log (see Exhibit 2-7, "PS Form 8069 Bypass Mail Log"):
 - i) Trays or sacks without proper documentation;
 - ii) Mail listed on the CDP Daily Mailing Log is missing; and,
 - iii) Trays or sacks in containers are not listed on the CDP Daily Mailing Log.
- f) Acceptance employees must perform standard verification and acceptance procedures on CDP mailings (see Chapter 3, *Verification*).

Note: If the BMEU does not receive CDP mailings or a negative report, the BMEU supervisor must contact the local postal facility for assistance in resolving issues.

2-7 Unpaid Mail

Unpaid mail is mail that enters the USPS mailstream without going through an acceptance office and undergoing required verification procedures, resulting in a potential negative revenue impact for the Postal Service. This section describes unpaid mailings, which include bypass mail (no postage collected) and un-verified mail (postage collected but not verified). This section defines both types of unpaid mailings, and describes standard procedures for recording unpaid mail and taking preventative actions.

2-7.1 Bypass Mail

Bypass mail enters the USPS mailstream without the BMEU recording the transaction, resulting in unrecognized revenue. Bypass mailings may occur due to procedural breakdowns or fraudulent activity. Bypass mailings may occur in the following circumstances:

- Permit imprint mail is deposited at unauthorized postal sites (e.g., contract postal units or collection boxes) where it is collected. The mail is inducted into the USPS mailstream and the revenue is not recognized.
- Mail may be inadvertently transported to operations for processing without being verified by BMEU acceptance employees (i.e., no Hold/Staged tags or clearance forms visible or mail is submitted to an unauthorized BMEU area) and the postage statements are not recorded; and therefore the revenue is not recognized.
- Mail is directly inducted into operations without the BMEU's knowledge due to fraudulent activity.

2-7.1.1 Standard Procedures for Addressing Bypass Mailings

BMEU employees must contact the appropriate individuals (i.e., the mailer, the acceptance employee, the BME manager, the postmaster, the BMEU supervisor) when a bypass mailing has entered the USPS mailstream. If an identified bypass mailing has entered the mailstream, the postmaster, BMEU supervisor, or acceptance employee must log the occurrence on PS Form 8069, *Bypass Mail Log* (see Exhibit 2-7, “PS Form 8069, Bypass Mail Log”). For *PostalOne!* sites the occurrence will be recorded on the ByPass Mail Log in the system once the acceptance employee enters the by passed mail statement into the system. The log must include the date of the bypass mail occurrence and the corrective action prescribed.

2-7.1.2 BMEU Bypass Mail Log Actions

The postmaster/supervisor must maintain a manual or *PostalOne!* Bypass Mail Log at the acceptance unit. Before the close of business on the last day of each month, the postmaster/supervisor must review the log and the Bypass Mail Report to track the frequency of occurrence of unpaid mailings and monitor how BMEU supervisors and employees are responding to notifying customers and reducing the occurrences of unpaid mailings.

The Bypass Mail Log review allows the BME supervisor or postmaster to identify trends and ensure that BMEU supervisors are responsive to unpaid mailing situations to prevent repeat occurrences. The BME supervisor or postmaster must also review the corrective actions listed on the Bypass Mailing Log and the results of those corrective actions to determine their effectiveness.

2-7.2 Un-verified Mail

Un-verified mail is the second type of unpaid mail that enters the USPS mailstream without being properly verified. Some revenue may be recognized; however postage collected may be inaccurate (e.g., invalid business mail prices). Un-verified mailings may occur when verification procedures are not performed properly, and the appropriate revenue amount is not recognized. Un-verified mailings may occur in the following circumstances:

- Mail is processed with a postage statement that reflects inaccurate information (e.g., incorrect class of mail reported, inaccurate piece count, or incorrect presort price applied).
- Scheduled or required In-Depth Verification procedures are not performed and improper prices are applied.
- Postage statements are processed without all of the mailing (i.e., the acceptance employee is only able to verify a small — and possibly non-representative sample — portion of the mail).
- For postage affixed mail, mail is collected from unauthorized collection sites and inducted directly into the mailstream without acceptance employees verifying the prices claimed.
- Incorrect postage or unauthorized postage affixed.

2-7.2.1 Standard Procedures for Handling Un-Verified Mailings

For certain un-verified mailing situations, postmasters or BMEU supervisors must verify that the mailing is billed immediately. Please perform the following procedures for the un-verified mailing situations described below:

- *A postage statement is found without the mail:* The acceptance employee must contact the mailer to obtain the required mailing information, proof of payment, or payment. Enter the postage statement in *PostalOne!*, using the “mailing date” on the postage statement as the entry in the *PostalOne!* “mailing date” field. Bill the mailer’s account in accordance with the postage statement.
- *A mailing is found without a postage statement:* The acceptance employee must perform the following for each situation described below:
 - a) For permit imprint mailings, acceptance employees must use the permit number to contact the mailer and obtain required billing information. If the mailing is company permit imprint, contact the Retail/AO responsible by phone, fax, or email to resolve the matter no later than the end of the next business day.
 - b) If the mailing is not permit imprint (i.e., precancelled stamps or metered mail), acceptance employees must attempt to identify the mailer, by performing the following:
 1. *Precancelled Stamps:* Contact the associate office of the return address by phone, fax or email to resolve the matter, no later than the following day.
 2. *Metered Mail:* Contact the Post Office of the city, state, and 5-digit ZIP Code indicated on the meter, to resolve the matter, no later than the following day.
 - c) Once the required mailer and billing information is verified enter the postage statement information into *PostalOne!*, using the date the mail was found in the mailstream as the entry in the *PostalOne!* “mailing date” field. Bill the mailer’s account in accordance with the postage statement.
- *A mailing and/or postage statement is received from an unauthorized location (e.g., USPS collection box):* The mailing must be transported to the BMEU for verification and billing. The mailer must be contacted to obtain the required mailing information (completed postage statement and supporting documentation), proof of payment, or payment; and informed of authorized business mail acceptance locations. Once the required mailer and billing information is verified enter the postage statement information into *PostalOne!*, using the date the mail was found in the mailstream as the entry in the *PostalOne!* “mailing date” field. Bill the mailer’s account in accordance with the postage statement.
- *A mailing is inadvertently inducted before verification procedures are performed:* When practical or possible, the mail must be retrieved, properly verified, and billed. If the mail cannot be retrieved (i.e., the mailing has already been dispatched), the mailer must be billed as reflected on the postage statement. If there is no postage statement, the mailer must be contacted to provide the required mailing information, proof of payment, or payment. Once the required mailer and billing information is verified enter the postage statement information into *PostalOne!*, using the date the mail was found in the mailstream as the entry in the *PostalOne!* “mailing date” field. Bill the mailer’s account in accordance with the postage statement.

If the mailer's contact information is unavailable, hold the mail and contact the postmaster/supervisor immediately for further action. Postmasters or BMEU supervisors must ensure that the following occurs:

1. If the mailing is un-verified Standard Mail, one mailpiece is subject to inspection in order to identify the mailer and obtain the required mailing information, proof of payment, or payment.
2. If the mailing is un-verified First-Class Mail, do NOT open or photocopy the contents of the mailpiece. Photocopy the face of the mailpiece for identification purposes, determine volume, and release to operations.

2-7.3 Unpaid Mailing Actions

When an unpaid mailing is discovered (both bypass and un-verified mail), perform the following:

- Postmasters or BMEU supervisors must determine where, when, and how the breakdown in procedure occurred and inform the functional area postal managers (when appropriate), the responsible postal unit, and — when applicable — mailers in writing.
- A record of each identified un-paid mailing must be noted in the mailer's account in *PostalOne!*. Mailers cited for three unpaid mailings within a 12 month period must be reported to the USPS Postal Inspection Service and the BME manager or postmaster.

For *PostalOne!* sites, the revenue collected must be noted as "0 - bypassed normal acceptance. For non-*PostalOne!* sites, acceptance employees must note in the *USPS Use Only* section on the postage statement that the mailing is unpaid.

2-7.4 Management Requirements for Unpaid Mailings

BME managers, postmasters, or BMEU supervisors must establish standard operating procedures for billing, recording, and reporting unpaid mail. These procedures must be reviewed by the postmaster/supervisor annually for effectiveness. The supervisor/postmaster must confirm that the Bypass Mail Log is reviewed each month to identify trends and repeat offenders, determine if procedures were followed, (i.e., CDP mail transportation, Initial Verification procedures, or dock loading processes, etc.) and implement corrective actions when necessary.

The BME manager must ensure that BMEU supervisors understand and maintain compliance with — and that postmasters are informed of — unpaid mailing standard operating procedures. Written procedures must be compared to those actually performed in acceptance sites. If there are significant discrepancies between written and performed procedures, corrective actions must be implemented, as necessary. The BME manager or postmaster must send a report to the District Manager of Marketing, which includes corrective actions and plans for follow-up review(s). The BME manager, postmaster, or BMEU supervisor must also review unpaid mailing standard operating procedures, and compare the written procedures to those actually performed in the BMEU. If there are any discrepancies between written and performed procedures, Acceptance site management must notify the District Manager of Marketing through a formal report. This report must include a summary of findings and a list of recommended corrective actions and plans for follow-up reviews.

BMEU supervisors must also host formal informational sessions about unpaid mail prevention and standard operation procedures, every six months for dock supervisors, MVS supervisors, and station/branch management.

2-7.5 Written Notice

When deemed necessary by the BME manager, postmaster, or BMEU supervisor, written notice of unpaid mailings must be provided to the appropriate individual for further action. The following exhibits provide examples that may be used depending on the type of individual contacted:

- Mailers (see Exhibit 2-8, “Sample for Incorrect Deposit of Bulk Mail”);
- Distribution Center (see Exhibit 2-9, “Sample for Revenue Loss for Distribution Center”); and,
- Operations (see Exhibit 2-10, “Sample for Revenue Loss for Operations”).

2-7.6 Unpaid Mailing Awareness

One method of prevention is for all BMEU and operations employees to maintain constant awareness of unpaid mailings and ensure adherence to BMEU mail processing procedures. BMEU supervisors and postmasters must ensure the following:

- Mailings that are not clearly marked are reported to postmasters or BMEU supervisors immediately (see Section 2-2, *Mailflow*).
- Mailings are submitted according to BMEU mailflow procedures (see Section 2-2, *Mailflow*) and in appropriately designated areas.
- All required verification procedures are performed, and no unmarked mailings are inducted to operations for processing (see Chapter 3, *Verification*).
- All forms and signage, as applicable, are attached to mailings scheduled for induction (see Section 2-2, *Mailflow*).
- For PVDS, plant load, and CDP mailings, all required clearance forms are attached to or submitted with each mailing. Operations employees will report any unmarked mailing to postmasters or BMEU supervisors.

2-7.7 Prevention and Best Practices

Prevention is an effective method of mitigating the risk of unpaid mailings (revenue loss and excessive work hours spent to address unpaid mailings). The following sub-sections describe recommended actions and best practices for preventing unpaid mail.

2-7.7.1 Employee Training and Outreach

All employees are required to receive training in proper verification and dock procedures prior to joining a business mail acceptance site. Over time, as dock or verification procedures change, new technology is integrated into verification procedures, or employees require refreshers, BME managers, postmasters, and BMEU supervisors must ensure that employees receive proper information in a timely fashion. New information may be communicated formally or informally through seminars, trainings, pamphlets, or email.

Acceptance site management may choose to perform the following types of informal outreach to ensure that employees have the most up-to-date information and that existing procedures are being followed:

- Distribute emails or information pamphlets emphasizing the importance of following proper verification and mail handling procedures. This communication should review required procedures and may recommend best practices.
- Host informational sessions on the organizational and employee impact — revenue loss and excessive work hours — of unpaid mail occurrence to inform employees of problems. BMEUs may also invite subject matter experts as guest speakers.
- Establish a local unpaid mail team, consisting of district employees and management (from as many functional areas as possible or necessary), to discuss unpaid mail issues.
- Maintain anonymous question and answer boxes for procedural clarification or best practice recommendations.
- Establish weekly “walk-around” times for BME managers or BMEU supervisors to informally monitor verification and processing. Management may choose to use this time to share constructive criticism and best practice recommendations with acceptance employees and mailhandlers.
- Demonstrate proper procedures for all employees; including acceptance employees, mailhandlers, or dock/MVS supervisors.

The key to employee outreach is providing a consistent message, maintaining an open dialogue between management and employees, and encouraging employee involvement. The benefits of unpaid mailing prevention methods outweigh the time and cost of implementation, and may address systemic weaknesses in unpaid mail procedures and prevention techniques.

2-7.7.2 Customer Outreach

Customer outreach may be effective in preventing unpaid mailings from entering the mailstream, as unpaid mailings may occur due to negligence, unfamiliarity with process, or mailer fraud. Acceptance site management may choose to implement the following outreach efforts for mailers:

- Remind mailers of the “work-share” element in mailing requirements and to prepare mail in compliance with USPS business mail price standards (i.e., via pamphlets, posters, signs, etc.).
- Display signs in the BMEU reminding mailers that mail fraud are punishable to the fullest extent of the law and list applicable offenses and consequences.
- Host regularly scheduled informational sessions for new and/or experienced mailers on proper mail preparation techniques and share best practices. These sessions should also include tours of the mail plant, when possible.
- Emphasize that proper mail preparation is conducive to shorter wait times, fewer disqualifications, and fewer scheduled In-Depth Verifications.

2-7.7.3 Personnel Roles in Unpaid Mail Prevention

Unpaid mailings entering the USPS mailstream result in revenue loss. Each USPS employee is integral in ensuring that mailings are properly verified and processed. Roles and responsibilities for USPS employees and suggested actions for unpaid mailing prevention are described below:

Business Mail Acceptance

- *BME managers or Postmasters:* Must establish and review unpaid mailing standard operating procedures. BME managers or postmasters are encouraged to interact with employees at all levels and invest in training and outreach programs that promote adherence to revenue protection procedures.
- *BMEU supervisor:* Must work closely with BME manager or postmaster, and USPS employees to ensure adherence to revenue protection procedures and the BMEU supervisors are encouraged to maintain open dialogue with employees and mailers on proper procedures.
- *Acceptance employees:* Must be diligent in performing all required verification tests and identifying unpaid mailing situations.
- *Dock/MVS supervisors:* Must monitor all loading and unloading procedures to ensure that mail being unloaded is properly transported to the specified BMEU or plant locations, and mail being loaded has proper clearance placards (as applicable) and required documentation.
- *Mailhandlers:* Will be aware of all placards and forms attached to the mail. Mailhandlers will also be aware of any mailings that do not have applicable placards or required documentation, and report these situations to the postmaster/supervisor immediately.

All employees are responsible for reporting mailings that are not properly marked — when applicable — or required clearance forms. USPS employees must be aware of the status of mailings at all times to prevent the occurrence of unpaid mailings.

3 Verification

To qualify for USPS business mail prices, mailers are required to prepare mailings in accordance with specific DMM mail preparation standards. Acceptance offices are responsible for verifying that the mailings presented to them meet the standards for the prices claimed. The basic principles and processes for accepting and verifying mail are the same for domestic and International Mail, with the exception of automation verification reviews (see Chapter 4, International Mail).

This chapter describes the Initial and In-Depth Verification procedures at all acceptance offices and provides additional information for sites having MERLIN systems. Chapter 3 is divided into the following sections:

Section	Title
3-1	Business Mail Unit — Mail Arrival
3-2	Initial and In-Depth Verification Procedures — Overview
3-3	Initial Verification Procedures
3-4	<i>PostalOne!</i> Performance Based Verification (PBV) — Overview
3-5	<i>PostalOne!</i> PBV In-Depth Verification Procedures
3-6	MERLIN
3-7	Full Service Intelligent Mail Device
3-8	Finalizing Verification Results Procedures
3-9	Electronic Verification System (eVS)
3-10	End of Day Reconciliation in <i>PostalOne!</i>

3-1 Business Mail Unit — Mail Arrival

The purpose of this section is to help you gain a better understanding of the importance and required steps that need to be followed during the Mail Arrival and Check-In process at all *PostalOne!* sites. This section will explain how to correctly review both hardcopy and electronic postage statements during the check-in process.

3-1.1 Control and Staging

Acceptance personnel must ensure that mailings arriving at acceptance offices are controlled using the Mail Flow procedures identified in Section 2-2.1, Mail Staging.

3-1.2 Check-in

All business mailings submitted to an acceptance offices must be checked in upon arrival. There are separate methods to check-in electronic statements and manual (hard copy) statements.

3-1.2.1 Electronic Postage Statement Check-in

An electronic postage statement, (i.e., Postal Wizard, Mail.dat, and Mail.XML), must be checked in by selecting the check-in check box in the “Job Arrival Time” column for the statement on the *PostalOne!* dashboard. To complete the check-in process, acceptance personnel must click the “Check-In” button at the bottom of the dashboard screen.

3-1.2.2 Manual Postage Statement Check-in

A manual postage statement must be checked in by entering all required information into the first page of the postage statement in the *PostalOne!* system. See “User Guide for Dashboard Management & Maintenance, Job Arrival Time (JAT) Check-in, and End-of-Day Reconciliation,” Section 3.3 at <http://blue.usps.gov/bma/training.htm> (under the section titled “BMA Compliance Training and Information”).

3-2 Initial and In-Depth Verification Procedures — Overview

Acceptance employees must perform an initial verification on all submitted mailings, and this section provides additional information and requirements for performing the Initial Verification procedures outlined in Section 3-3, Initial Verification Procedures. For Performance Based Verification (PBV) sites, certain verification procedures will be scheduled by *PostalOne!* (see Section 3-5, *PostalOne!* PBV In-Depth Verification Procedures).

All mailings must be presented with a postage statement and appropriate supporting documentation as required. All mailings are subjected to an Initial Verification. If errors are identified during the Initial Verification, the acceptance employee must immediately proceed to Step #17 Verification Errors for instructions, and perform an In-Depth Verification.

3-3 Initial Verification Procedures

The purpose of this section is to help you gain a better understanding of the required steps that need to be followed during the Initial Verification and review the mailer’s account balance and fees. In this section, we will also take a more in-depth look at the process that all acceptance personnel must follow to ensure all mailer’s fields on the postage statement are complete and accurate. This will aid acceptance personnel in determining what to do if the mailer is missing information or information is incorrect as well as understanding where to hold or stage mail.

The Initial Verification Procedures Checklist (Table 3-3) below describes the detailed process for performing an Initial Verification.

Note: The six steps noted in Table 3-3 are also the first six steps included in Exhibit 3-1 *Initial and In-Depth Verification Checklist*, which is a checklist showing the complete verification procedures (including the initial verification procedures noted here).

Table 3-3 (page 1 of 3)

Initial Verification Procedures — Checklist

<p>1) Mail Arrival Check-in</p>	<p>Acceptance employees must Check-In all business mailings submitted for verification and acceptance upon arrival. Mailings must be Checked-In according to the Electronic and Hard-copy processes identified in Section 3-1.2, Check-In.</p>
<p>2) Review the Postage Statement</p>	<p>a. Non-<i>PostalOne!</i> acceptance employees should record the date and time of arrival in the upper right corner of the postage statement. Never round date this or any other section of a postage statement to indicate date and time of mail arrival.</p> <p>Note: For Electronic Documentation (eDoc) postage statements, acceptance employees or mailers are not required to record the time that mail arrived. Electronic documentation is automatically date stamped by the <i>PostalOne!</i> System.</p> <p>b. Ensure the Mailer section of the postage statement is complete and accurate. Mailers are required to complete all applicable blocks in the Mailer, Mailing, and Postage sections of the postage statement and sign and date the Certification section. Verify that mailers have indicated a Move Update method for First Class Mail or Standard Mail mailings.</p> <p>Non-PostalOne! Site Note: If the mailer fails to complete all applicable sections of the postage statement and/or the mailer incorrectly completes these sections, the acceptance employee is responsible for obtaining the missing and/or correct information.</p> <p>Note: For electronic postage statements, mailers are not required to sign and date the postage statement; however, all required fields must be complete.</p> <p>c. The acceptance employee is NOT required to complete missing information or correct inaccurate information in the mailer's sections. Rather, the acceptance employee must document the information as applicable in the <i>PostalOne!</i> system.</p> <p>Note: For Postal Wizard (PW) users, the acceptance employee can record any changes directly to the electronic postage statement and then validate changes with the mailer. However, for Mail.dat or Web Services users, mailers must cancel the transaction and resubmit the postage statement to make necessary changes.</p> <p>Note: If the mailing cannot be verified immediately, stage the mailing for verification based on mail type. See Section 2-2, Mailflow.</p>

Table 3-3 (page 1 of 3)

Initial Verification Procedures — Checklist

<p>3) Review the Mailer's Account</p>	<p>The acceptance employee must review the mailer's account to verify that appropriate fees have been paid and sufficient funds are available. Review the mailers account by entering the permit number from the postage statement in <i>PostalOne!</i>, and view the "Balance and Fees" screen to verify the following:</p> <ul style="list-style-type: none"> a) If the mailer submits a hardcopy postage statement, check to see if the mailer submitted the postage statement electronically, in the <i>PostalOne!</i> Dashboard. If the mailer has submitted a postage statement electronically, do not enter in the information from the hardcopy postage statement in <i>PostalOne!</i>. Use the electronic postage statement for acceptance and verification of the mail. b) Permit number on the mailpieces matches the postage statement. c) Sufficient funds are available on deposit for all mailings paid from an account: <ul style="list-style-type: none"> i) If funds are not available and the customer has left the BMEU, the acceptance employee must notify the mailer and obtain the appropriate funds. Stage the mailing for verification based on mail type. See Section 2-2, Mailflow. ii) If funds are not available and the customer is still present, do NOT accept or hold the mail. d) Mailing fees and authorizations are current (i.e., annual presort fee has been paid). e) Mailers claiming Nonprofit Standard Mail prices must have a permit record with the correct authorization number to match the mailer's authorization record. f) If an eMIR report dialogue box appears, examine mailing submitted for any similar preparation characteristics as identified in the mailing reported in the eMIR. If it is the same type of mailing inspect the mailing to see that the mailer has "resolved" the reported deficiency. If the deficiency is resolved complete the eMIR. If the issue is not resolved perform an In-Depth verification. <p>Note: The <i>PostalOne!</i> system determines if the mailer is scheduled for In-Depth Verification as indicated when entering postage statement information on page two in <i>PostalOne!</i>, or if the mailing fails Initial Verification. See Section 3-5, <i>PostalOne!</i> PBV In-Depth Verification Procedures.</p>
<p>4) Review Required Supporting Documentation</p>	<ul style="list-style-type: none"> a) Verify that proper supporting documentation is submitted based on the mailing type (e.g., postage statement, USPS Qualification Report): <ul style="list-style-type: none"> i) If the mailing is a Special Postage Payment Systems (SPPS) mailing, see DM-109 Chapter 9, <i>Special Postage Payment Systems</i>, for specific verification procedures. b) Verify that the total piece count by line item on the postage statement matches the figures for each price category reported in the USPS Qualification Report. <p>Note: When submitting a postage statement electronically, the mailer may submit either hardcopy or electronic supporting documentation submitted via the <i>PostalOne!</i> Dashboard.</p>
<p>5) Perform a Mailing Inspection</p>	<p>Perform an Cursory Review of the mailing by verifying the following:</p> <ul style="list-style-type: none"> a) Container integrity; b) Proper container labeling; c) Delivery address; and, d) Contents match destination and sortation. <p>Note: If any errors are identified in this review, the acceptance employee must conduct and In-Depth Verification.</p>

Table 3-3 (page 1 of 3)

Initial Verification Procedures — Checklist

6) Examine Mailpieces	<p>Determine if mailpieces are mailable under DMM Section 301, <i>Physical Standards</i>, and DMM Section 601, <i>Mailability</i>, by verifying mailpieces for:</p> <ul style="list-style-type: none"> a) <i>Content</i> - For all mailings (except First-Class) determine mail eligibility by opening at least one piece of mail and then verify for content eligibility (see Exhibit 3-2, <i>Determining Standard Mail Eligibility</i>. For mailers claiming Nonprofit Standard mailing prices, see DM-109 Section 6-1, <i>Nonprofit Standard Mail Eligibility</i> for determining eligibility. b) <i>Processing Category</i> - Determine if the correct mail processing category was claimed on the postage statement. c) <i>Machinable Criteria</i> - Determine if mailpieces meet any nonmachinable criteria requiring payment of the applicable nonmachinable surcharge. d) <i>Postage Payment Method</i> — Verify that the postage payment method meets format and legibility requirements. e) <i>Markings/ Endorsements</i> — Review mailpieces for appropriate markings, endorsements, and coding for services requested and prices claimed.
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3.3.1 Review the Postage Statement

Any mailer submitting a hardcopy postage statement through an acceptance unit is required to complete all applicable blocks in the Mailer, Mailing, and Postage sections of the postage statement and sign and date the Certification section. We need to ensure that we have a signature from the Mailer on all hardcopy statements that are submitted. Mailers must also indicate the Move Update method used for First-Class Mail or Standard Mail mailings.

- *PostalOne!* sites must follow the Arrival and Check-In process identified in the previous sections. *Non-PostalOne!* sites must record the date and time of arrival in the upper right corner of the postage statement. Never round date this or any other section of a postage statement to indicate date and time of arrival.
- If the mailer fails to complete all applicable sections of the postage statement and/or the mailer incorrectly completes these sections, the acceptance employee is responsible for obtaining the missing/or correct information and entering it into the *PostalOne!* system.
 - **Non-PostalOne! Site Note:** If the mailer fails to complete all applicable sections of the postage statement and/or the mailer incorrectly completes these sections, the acceptance employee is responsible for obtaining the missing and/or correct information.
- The acceptance employee is NOT required to complete missing information or correct inaccurate information in the mailer's sections. Rather, the acceptance employee must document the information as applicable in the *PostalOne!* system.
- For electronic postage statements, mailers are not required to sign and date the postage statement; however, all required fields must be complete.

Any mailer submitting a mailing through the BMEU or DMU is required to complete and sign a postage statement (or PS Form 3606, Certificate of Mailing — Bulk). Acceptance employees are required to review postage

statements to verify required information is included (e.g., mailing and mailer information).

Mailings received without postage statements must be held and the mailer must be contacted immediately (see Section 2-7.2.1, Standard Procedures for Handling Un-Verified Mailings). If there are errors on the postage statement and the mailer is unavailable, hold the mail and contact the mailer immediately. If a mailing cannot be verified immediately, hold the mailing for verification (see Section 2-2, Mailflow). The acceptance employee must visually indicate that the mail is being held and will place a placard on the mail, as available.

3-3.2 Review the Mailer's Account

The acceptance employee must review the mailer's account in the *PostalOne!* system to verify that the mailer's permit is valid, mailer's profile is up-to-date, appropriate fees have been paid, sufficient funds are available in the account, and mailer is eligible for prices claimed.

Verify the following:

- If the mailer submits a hardcopy postage statement, check to see if the mailer submitted the postage statement electronically to the *PostalOne!* Dashboard. If the mailer has submitted the postage statement electronically, do not enter the information from the hardcopy postage statement into *PostalOne!* under a new job; use the information on the electronic postage statement for acceptance and verification.
- If a Permit Imprint number is used as the postage payment method validate that it belongs to either the mail owner or the mail preparer and that it matches the permit on the postage statement.
- Verify that sufficient funds are available on deposit for all mailings paid from an account:
 - If funds are not available and the customer has left the Business Mail Entry Unit, the acceptance employee must notify the mailer and obtain the appropriate funds. The mailing is placed on HOLD and must not be released until sufficient funds are deposited into the account.
 - If funds are not available and the customer is still present, do NOT accept or hold the mail. The mail must be removed by the mailer.

If the mailer claims Nonprofit Standard Mail prices, the mailer must have a permit record with the correct authorization number to match the mailer's authorization record. If the authorization number does not match the authorization record, the mailer is not eligible for Nonprofit Standard Mail.

If the mailer has insufficient funds, they may submit a check to deposit into the account and pay for the mailing. Cash payments are not allowed under any circumstances at the BMEU. Before accepting the mailer's check, verify that they are not on the "Bad Check List" (see Handbook F-101, Field Accounting Procedures, Section 9-3, Checks, or Handbook DM-109, Exhibit 3-13, "Check Processing Standard Procedures"). The Retail/Associate Office (AO) or BMEU with Point-of-Sale (POS) systems is responsible for processing checks. For BMEUs not equipped with a retail terminal (i.e., POS, IRT, eMOVES), the BMEU supervisor or postmaster is responsible for designating a secure location for check storage and for ensuring checks are transferred daily to the appropriate postal retail unit. Checks are considered "Priority One" items and require the highest level of security equipment available. For types of

authorized equipment for securing accountable items, in order of priority, see Handbook F-101, Field Accounting Procedures, Section 3-1.1.2.

If the mailer is on the “Bad Check List,” do not accept the mailing. Mailers on the “Bad Check List” are required to pay by money order or certified check. The “Bad Check List” must be retained by the BMEU in coordination with the Retail/Associate Office (AO) or designated equivalent (Handbook F-101, Field Accounting Procedures, Section 9-3, Checks).

Note: BMEU supervisors or postmasters must report mailers who are consistently on the “Bad Check List” to the District Manager of Finance, for further action.

If mail is processed with insufficient funds, the mailer’s account will appear on the *PostalOne!* Negative Balance report. The acceptance employee must enter the postage statement information into *PostalOne!*, or for non-*PostalOne!* sites on the manual ledger immediately. Acceptance employees must not accept mailings from mailers who have not resolved negative balances.

Note: BMEU supervisors or postmasters must review the Negative Balance report on a daily basis, and investigate and resolve any negative balances listed. The BMEU supervisor or postmaster must also ensure that the BMEU does not accept mailings from mailers with negative account balances.

3-3.3 Review Required Supporting Documentation

The acceptance employee must review supporting documentation — USPS Qualification Report and when applicable, postage statement register, Coding Accuracy and Support System (CASS™) certification, move update, and carrier route listing — received with the postage statement to verify that pieces for each price category and total pieces correspond with volumes reported on the postage statement. Supporting documentation is required, unless the correct postage is affixed to each piece, or each piece is of identical weight and pieces are separated by price when presented for acceptance.

When mailers submit postage statements electronically, they may in some cases be allowed to submit their supporting documentation via hardcopy. Mailer’s using data files Mail.dat and Mail.XML) to transmit their electronic mailing information will produce the supporting documentation and post it to the *PostalOne!* dashboard. All documentation must be submitted electronically for Full-Service mailings. Full-Service mail verification information is located in Section 3-7, and in Job Aid 08A, *Full-Service Acceptance & Verification*, at <http://blue.usps.gov/bma/training.htm> (under the section titled “BMA Compliance Training — Job Aids”).

If the mailer uses a Special Postage Payment System (SPPS), the acceptance employee must follow the specific instructions outlined in the SPPS agreement and provided by USPS Headquarters Business Mailer Support (BMS).

Examples of SPPS include the following types of mailing systems: Manifest Mailing Systems, Optional Procedure systems, Alternate Mailing System, and Combined Value Added Refund systems (see Chapter 9, Special Postage Payment Systems). DMU mail verification and standard operating procedures are located at <http://blue.usps.gov/bma/procedures.htm> (under the section titled “Detached Mail Unit (DMU) Standard Operating Procedures (SOP)s”).

If there are errors in the supporting documentation, hold the mail and contact the mailer immediately to receive proper documentation or make necessary corrects.

3-3.4 Perform a Cursory Review of the Mailing

Perform an inspection of the mailing, by verifying the following:

- Container integrity.
- Proper container labeling.
- Delivery address.
- Contents match destination and sortation.

A container integrity inspection is performed by ensuring that container loads and shrink-wrap are stable and safe for transport. For Full-Service mailings, ensure that the Intelligent Mail container barcode is affixed on the outside of the shrink wrap. Full-Service mail verification information is located in Section 3-7 and in Job Aid 08A, *Full-Service Acceptance & Verification*, located at <http://blue.usps.gov/bma/training.htm> (under the section titled “BMA Compliance Training — Job Aids”).

Perform a tray/sack (handling unit) labeling inspection by selecting containers and verifying that the information on selected mailpieces reflects the information on the container labels. Verify that the correct sized labels are used (tray labels, sack labels, pallet labels) and that they are correctly formatted. Verify that bundle labels and the Optional Endorsement Line (OEL) are correct, and that address and OEL/label on top piece of bundle is readable. Verify that all tray and sack, labels are legible. For Full-Service mailings, ensure that the Intelligent Mail tray label and barcode is affixed to trays and sacks.

Verify that there is a delivery address on the mailpieces, and that the address is readable. Verify that mailpieces contain a return address as applicable. Verify that the destination on the pieces in the mailing match the destination on the labels in supporting documentation, and that the mailer has sorted the mailing to the extent indicated on the postage statement.

This review can be performed visually and the results are not required to be recorded on the postage statement, separate worksheet, or any PS Form.

3-3.5 Examine Mailpieces

Acceptance employees must examine the mailpieces to determine if they are mailable under DMM Section 600, Basic Standards for All Mailing Services.

Specifically, to determine if mailpieces are mailable under DMM Section 601, Mailability, acceptance clerks must verify mailpieces for the following:

- Content: For all mailings (except First-Class) determine mail eligibility by opening at least one piece of mail and then verifying for content eligibility (see DM-109 Exhibit 3-2, Determining Standard Mail Eligibility). For mailers claiming Nonprofit Standard mailing prices, see DM-109 Section 6-1, Nonprofit Standard Mail Eligibility for determining eligibility.
- Processing Category: Determine if the correct mail processing category was claimed on the postage statement.
- Machinable Criteria: Determine if mailpieces meet any nonmachinable criteria requiring payment of the applicable nonmachinable surcharge. Also see DMM 301, *Physical Standards*, regarding flexibility for flat size mail.
- Postage Payment Method: Verify that the postage payment method meets format and legibility requirements.

- Markings/ Endorsements: Review mailpieces for appropriate markings, endorsements, and coding for services requested and prices claimed.

Additionally, the following exhibits can be used to assist with verification:

- Exhibit 3-2, “Determining Standard Mail Eligibility;”
- Exhibit 3-3, “PS Form 6116, First-Class Metered Mail — Shortpaid Sampling Worksheet.”

If the mail does not meet the specific criteria, the mail will not qualify for the prices claimed by the mailer.

3-4 *PostalOne!* Performance Based Verification (PBV) - Overview

Mail verification following Arrival and Check-In and Initial Verification must be performed as requested by the Performance Based Verification (PBV) feature in the *PostalOne!* system. Acceptance employees must perform In-Depth Verification procedures on any mailings when requested by the Performance Based Verification (PBV) feature in the *PostalOne!* system.

When the acceptance employee deems necessary or when problems are detected during the initial verification or cursory review, these procedures may also be performed as a voluntary In-depth verification. The details around mail acceptance and verification procedures are summarized below.

3-4.1 PBV In-Depth Verification Determination

This section explains PBV verification procedures and system functionality.

Performance Based Verification (PBV) is a *PostalOne!* feature that uses a mathematical framework to determine In-Depth Verification frequency and sample size. PBV analyzes the mailer’s historical mail preparation performance. For mailers who historically perform well (e.g., no errors identified), PBV reduces the frequency of required In-Depth Verification tests. PBV increases the frequency of required In-Depth Verification tests for mailers that historically perform poorly.

It is critical that the acceptance employee perform an in-depth verification when indicated in *PostalOne!* Performance Based Verification (PBV).

Acceptance employees may also choose to “voluntarily” perform an In-Depth verification could be when an inspection or examination of the mailing deems an In-Depth verification necessary, or when discrepancies are identified in the initial (or cursory) review.

Mailings accepted through a Special Postage Payment System (SPPS) [Pronounced S-P-P-S] may require alternate acceptance procedures. Refer to the SPPS agreement for the particular mailer to identify the verification frequency. DMU mail verification and standard operating procedures are located at <http://blue.usps.gov/bma/procedures.htm> (under the section titled “Detached Mail Unit (DMU) Standard Operating Procedures (SOP)s”).

3-4.2 Verification Worksheets Available in *PostalOne!*

The following verification worksheets must be populated in *PostalOne!*:

- PS Form 2866 Presort Verification Record (for the latest edition of PS Form 2866, go to <http://blue.usps.gov/formmgmt/forms/ps2866.pdf>)
- Bundle Preparation.
- Tap Test.

- Manual POSTNET™ Barcode.
- Manual Shortpaid Meter.
- Mail Piece Count Verification (MPCV) (available November 2010).
- Plant Verification Drop Shipment (PVDS) Verification (available November 2010).
- Full-Service Verification (available November 2010).

The acceptance employee is not required to retain or attach manual worksheets to hardcopy postage statements as *PostalOne!* Automatically retains worksheet information.

Acceptance employees must electronically record all errors in the mailing identified from the manual worksheets, to allow *PostalOne!* to create accurate Mail Quality Reports. Mail Quality Reports provide *PostalOne!* with a history of the mailer's performance in order to schedule future verification tests and sample size.

3-4.3 Manual Verification Worksheets Unavailable in *PostalOne!*

The following verification worksheet is not currently available in *PostalOne!* and must be completed manually:

- PS Form 8040, Bulk Mail Acceptance Worksheet.

If errors are identified, acceptance employees are required to retain and attach manual worksheets to hardcopy postage statements. If errors are not identified during verification, acceptance employees must retain the above worksheets for 90 days.

Acceptance employees must electronically submit verification results of all manual tests to *PostalOne!* (if applicable). This allows *PostalOne!* to generate accurate Mail Quality Reports, which provide a history of the mailer's performance in order to schedule future verification tests and determine sample size.

3-4.4 *PostalOne!* Dashboard Management

All pending postage statements must be finalized in the *PostalOne!* Dashboard and posted to the mailers' account to record the transaction. BMEU supervisors or postmasters must review all postage statement activity and pending transactions daily on the *PostalOne!* Dashboard to ensure that all postage statements have been finalized.

Acceptance sites must ensure that the End-of-Day (EOD) Close Out (Reconciliation) Report is generated and reviewed at the finance number level on a daily basis when there are activities for the finance number. Acceptance sites must validate the status of all mailings that are in a status other than FIN, FPP, or UPD. See "User Guide for Dashboard Management & Maintenance, Job Arrival Time (JAT) Check-in, and End-of-Day Reconciliation," Section 3.3 at <http://blue.usps.gov/bma/training.htm> (under the section titled "BMA Compliance Training and Information").

Dormant jobs are defined as statements submitted by mailers that have had no subsequent activity for a defined period of not less than 7 days.

Cancellations occur at the single postage statement, combined mailing, or master statement levels. The reasons comprise one of three possibilities: Hardcopy Postage Statement transaction, Mailing Recalled, or Mailing Not Presented. Acceptance employees are required to contact the mailer before cancelling the statement.

3-4.5 PBV Microstrategy — Reasons for Non-Performance Report

Under PBV, acceptance employees must use drop-down menu features in *PostalOne!* for non-performance of PBV-scheduled verification procedures (e.g., critical entry times, MERLIN unavailable, incompatible mail). The PBV Microstrategy — Reasons for Non-Performance Report provides information to BME managers, postmasters, and BMEU supervisors on why acceptance employees did not perform PBV-scheduled verification procedures. Acceptance employees, BME managers, postmasters, and BMEU supervisors must follow the instructions listed below, depending on the reason code selected:

- **Critical Entry Time:** Acceptance employees must receive approval from a BMEU supervisor or postmaster if “Critical Entry Time” is indicated as the reason for non-performance of verification for Standard Mail only. BME managers, postmasters, or BMEU supervisors must obtain the verification time from *PostalOne!* for all classes of mail, to determine if non-performance of verification was appropriate.
- **Insufficient Staffing:** Acceptance employees must receive approval from a BMEU supervisor or postmaster if “Insufficient Staffing” is indicated as the reason for non-performance of verification for all classes of mail.
- **Other:** Acceptance employees must enter comments to explain the specific reason(s) for non-performance of verification. BME managers, postmasters, and BMEU supervisors must review acceptance employee comments in *PostalOne!* to determine if non-performance of verification procedures was appropriate.

BME managers must review the PBV Microstrategy — Reasons for Non-Performance Report weekly and BMEU supervisors or postmasters must review this report daily, to determine if non-performance of verification procedures was appropriate. BMEU supervisors or postmasters must take corrective actions with acceptance employees when necessary, and inform the BME manager as appropriate.

3-5 *PostalOne!* PBV In-Depth Verification Procedures

This section provides the procedures for PBV In-Depth Verification. See Exhibit 3-1 for the procedures in a checklist format.

This section provides additional information and requirements for performing the In-Depth Verification procedures outlined in Section 3-2, Initial and In-Depth Verification Procedures — Overview. Acceptance employees may use the Mail Evaluation and Readability Lookup Instrument (MERLIN) — when noted in each section — to verify mailings (see Section 3-6, MERLIN).

Note: Acceptance employees using MERLIN for verification are not required to record results on PS Form 2866. (For the latest edition of PS Form 2866, go to <http://blue.usps.gov/formmgmt/forms/ps2866.pdf>.)

Note: Non-*PostalOne!* sites must use the skip-interval process for sample selection.

3-5.1 Bundle Preparation

Acceptance employees must ensure that all bundles are properly prepared, when applicable (see Exhibit 3-5, Verification Procedures Flat-Size Mail Bundle Preparation). The acceptance employee can access the electronic worksheet by right-clicking on the “clipboard” icon in the header of the

“Verification Results” section in *PostalOne!*. Access the electronic worksheet instructions by right clicking on the “?” icon in the header of the “Verification Results” section.

Note: For both MERLIN and non-MERLIN sites, acceptance employees must perform bundle preparation procedures manually.

3-5.2 Tap Test

Automation price mailpieces prepared with windows are susceptible to “shift” during transport. To detect shift, which may adversely affect barcode readability, a manual tap test must be performed on all letter-size AND flat-size pieces that have barcodes appearing through windows. As MERLIN does not have tap test-capabilities, perform a tap test for MERLIN and non-MERLIN sites. See “Notice 67 — Automation Template” or “Item 04A — Delivery Point Postnet Barcode Gauge” and Exhibit 3-4, “Performing a Tap Test.”

Note: If a mailing fails a tap test, the mail will not qualify for automation prices. Contact the mailer to inform them of tap test failure, and provide feedback on available corrective actions.

3-5.3 Conduct Weight Verification

The mailer is required to provide the weight and total number of pieces on the postage statement. The acceptance employee must determine if the piece count and weight provided by the mailer are accurate. This section provides information for the following:

- Identical Weight Mailings — Weight Piece Count Verification Procedures;
- Non-Identical Weight Mailings; and,
- Volume and Weight Verification Results.

3-5.3.1 Identical Weight Mailings

To determine if a mailing is an identical weight mailing, select a sample of mailpieces and individually weigh those mailpieces to ensure they are all weighing the same piece weight. If mailing contains non-identical mailpieces, see Section 3-5.3.2, Non-Identical Weight Mailings.

3-5.3.1.1 Identical Weight Mailings — Weight Piece Count Verification Procedures

To verify an identical weight mailing, start by ensuring that a mailer has completed the customer section of the postage statement. The customer must complete:

- The mailpiece total,
- Piece weight.
- Postage type.

Please note that all pieces mailed with a permit imprint are required to be identical in weight unless the mailer has been approved under a Special Postage Payment System (SPPS) agreement.

Mailings containing multiple price categories submitted without supporting documentation (such as a USPS Qualification Report) must be weight verified by price category. Acceptance employees must perform weight verification procedures manually at both MERLIN and non-MERLIN sites.

3-5.3.1.2 Gross weight

Gross weight is the combined weight of the mailpieces and the mailpiece containers. Place the entire mailing on a scale to determine the gross weight of the mailing. If you cannot weigh the mailing all at once, you need to use PS Form 8040, Bulk Mail Acceptance Worksheet, to record each separate weight. Add all the weights listed on the form together to obtain the total gross weight of the mailing.

3-5.3.1.3 Tare weight

Tare weight is the combined total weight of every container used to hold or transport the mailpieces of a mailing. This can include trays, sacks, pallets, cardboard boxes, large containers—everything that is not a mailpiece. To calculate the tare weight of your mailing, record the weights of every container, without its mailpieces, on Form 8040.

Alternatively, use the weight amount marked on the USPS equipment, such as an APC, to establish its weight. Tare weight of mailing containers (trays, sacks, pallets, and rolling stock) may be marked directly on the container. If the weight is marked, use the weight provided. If the weight is not marked, weigh the empty container and record weight. If mailers are using containers that do not have a pre-determined weight listed on them, they may pre-weigh the empty containers to determine the tare weight.

For USPS containers that do not have the weight marked on them, empty and weigh the container to establish its weight, or use the average tare weight on the USPS website at:

<http://blue.usps.gov/site/wcm/connect/resources/file/eb0b7f055cc9455/EIRS%20List%20053009.pdf?MOD=AJPERES>.

Net Weight of a mailing is determined by subtracting the Tare Weight from the Gross weight. Subtracting the tare weight from the gross weight ensures that the Postal Service charges a mailer for only the weight of the mailpieces in the mailing.

3-5.3.1.4 Single Piece Weight

To determine what a single mail piece weighs, select a random sampling of mail from different areas of the mailing. You should select a minimum of 10 pieces of mail. You should not weigh only one piece of mail to determine what a single piece weighs. Place the random sample selection on the scale to obtain a sample weight.

Next, divide the sample weight by the number of pieces you selected to get the average per-piece weight in ounces.

In some situations, such as a periodicals mailing that is permitted to be dropped at a post office during overnight hours, acceptance employees may receive only a single “marked copy” because the rest of the mailing has already been inducted for mail processing and delivery. In this situation, weigh the single “marked copy” to determine the single piece weight needed for entering the postage statement into *PostalOne!*.

3-5.3.1.5 Piece Count

To calculate how many pieces are in the mailing, divide the Net Weight by the Average Piece Weight.

The acceptance employee must verify piece count and net weight, by performing the following activities:

Table 3-5.3.1.5

Weight and Piece Count Verification Procedures

Steps	Procedures
1) Single Piece Weight (average)	Select at least 10 identical pieces to weigh from different parts of the mailing and obtain the average weight of a single mailpiece in ounces and/or pounds.
2) Gross Weight	Place the complete mailing on the scale to obtain gross weight. If the mail is in a container, the tare weight is required.
3) Tare Weight	<p>Tare weight of the mailing containers or price level (i.e., trays, sacks, pallets, and rolling stock) can be found in the following locations:</p> <ul style="list-style-type: none"> a) The weight of a USPS container may be marked directly on the container. If the weight is marked, use the weight provided. b) The weight of the container may not be provided. If the weight is not marked, weigh the empty container on the scale and record weight. c) For USPS containers that do not have the weight marked on the container, use the average tare weight on the USPS website. <p><i>Note:</i> If tare weights are not available, the mailer should pre-weigh and mark the weight on the containers, prior to submitting the mail to the acceptance site.</p>
4) Net Weight	Gross Weight — Tare Weight = Net Weight.
5) Piece Count	Net Weight/Single Piece Weight = Piece Count.
6) Verify Postage Statement Count	<p>Compare the calculated piece count to the mailer piece count provided on the postage statement and apply the following:</p> <ul style="list-style-type: none"> a) If there is a discrepancy of great than 1%, recalculate the single piece count weight. b) After recalculation, if variance is still greater than the 1% tare correction, apply the tare correction factor of 10% using PS Form 8040. c) After the applying the tare correction, if the variance is still greater than the 1% tolerance allowance, re-weigh the mailing to confirm original figures. d) After re-weighing the mail, if the piece count is still out-of-tolerance, notify the mailer and follow the procedures outlined in Step #17, Verification Errors, in Exhibit 3-1, Initial and In-Depth Verification Checklist.

Note: For meter stamp mailings, only the price levels with less than full postage affixed are required for weight and piece count verification.

3-5.3.1.6 Tare Correction/ Piece Count Differential

After calculating the number of pieces in the mailing, you need to verify that total against the number of pieces claimed in the mailer’s postage statement information. This is done to make sure that all the pieces in the mailing are paid for. The customer is allowed a 1% piece count differential, or tare correction, because of the mixture of equipment used. Sometimes nearly identical equipment differs slightly in tare weight.

Tare correction is a practical way to compensate for the variable tare weights of trays, sacks, and containers and allows a correction factor for tare weight. As noted above, acceptance employees must use a correction factor of ±10% (or ±1.1%) for the mixture or poor condition of equipment.

3-5.3.1.7 Piece Count Percentage Differences

What is the percentage difference between the USPS count and the customer count?

To find this out, you need to calculate the difference between the USPS count and the customer count. Remember, the difference should be 1% or less. The calculation is done by dividing the differential number of pieces, by the verified USPS piece count.

When the result is “1% or less” you can record the mailer’s piece count information in the USPS section of the postage statement.

If there is a discrepancy of greater than 1%, perform the following actions:

- a) Recalculate the single piece count weight.
- b) After recalculation, if variance is still greater than the 1% tare correction, apply the tare correction factor of 10% using Form 8040.
- c) After the applying the tare correction, if the variance is still greater than the 1% tolerance, re-weigh the mailing to confirm original figures.
- d) After re-weighing the mail, if the piece count is still out-of-tolerance, notify the mailer and follow the procedures outlined in Section 3-8.1, Verification Errors.

When discussing piece count or other mailing errors with mailers, our goal is always to share exactly what we have found and provide them guidance that will help to avoid similar errors in future mailings.

If you did not find any errors in the mailing, bill the mailer according to the postage statement you were given.

3-5.3.2 Non-Identical Weight Mailings

There are no weighing procedures for accurately determining piece count for non identical-weight mailings. These mailings are usually paid with postage affixed (precanceled stamps or postage meter strips) unless the mailer has an SPPS agreement authorized by the Postal Service.

Make sure that each piece in the tray has full-postage affixed. For mailings without the correct postage affixed, such as pre-canceled stamps or metered affixed lowest qualifying rate postage, only the price levels with less than full postage affixed require weight and piece count verification.

MERLIN may be used to verify piece counts when all the pieces in a mailing are either permit imprint (all pieces within the same ounce increment), precanceled stamps, or metered at the same rate.

If a mailing is metered First-Class Mail, perform metered First-Class Mail shortpaid sampling on PS Form 6116, First-Class Metered Mail — Shortpaid Sampling Worksheet.

Additionally, certain mailings require acceptance employees to follow the SOP for verifying piece counts. More information may be found in Chapter 9, Special Postage Payment Systems. These SOPs are to be used when an MLOCR/BCS mailer presents a mailing containing any combination of pieces with different postage payment types (permit, metered, precanceled stamps), or the mailer presents a mailing claiming a Value Added Refund (VAR) including all VAR eligible mailings, whether or not a Value Added Refund (VAR) is provided. Please note that mailers must be authorized by Business Mailer Support before producing combined or Value Added Refund (VAR) mailings.

For Special Postage Payment Systems (SPPS) mailers, remember to review the documentation, including the agreement, for any specific weight and piece count sampling procedures. SPPS mailings must be verified according to

specific guidelines established in authorization agreements between USPS, as well as specific USPS guidance on SPPS mailings (see Chapter 9, Special Postage Payment Systems). Postage affixed mailings may be weighed for total weight at the discretion of the BMEU, local Retail/AO unit, or DMU.

3-5.3.3 Volume and Weight Verification Results

For small-volume mailings that require only one gross weighing, document the gross weight, net weight, and tare weight on the postage statement. For multiple weighings, the acceptance employee may record the figures on Part 1 of PS Form 8040, Bulk Mail Acceptance Worksheet (i.e., number of containers).

Based on the verification procedures, if there are variances between the piece count or net weight calculated and the amount recorded on the postage statement, the acceptance employee may perform the following:

- Complete Part 3 of PS Form 8040 for all mailings that require a change to the number of pieces or net weight claimed by the mailer; and,
- Continue by following the procedures outlined in Step #17, Verification Errors, in Exhibit 3-1, Initial and In-Depth Verification Checklist.

Acceptance employees must enter all results into *PostalOne!* regardless of whether they use PS Form 8040 to document the weight verification results.

3-5.4 Perform a Presort Verification

A Presort Verification must be performed for the following:

- For mailings with errors identified in any Initial Verification step, or if scheduled by *PostalOne!* PBV.
- When *PostalOne!* has scheduled an In-Depth Verification.

Acceptance employees must use MERLIN when requested to perform a Presort Verification by PBV. The results are recorded automatically to MERLIN reports. Step-by-step instructions for manually completing PS Form 2866, *Presort Verification Record*, are contained within the form. (Also see Exhibit 3-1, *Initial and In-depth Verification Checklist*, step 15.)

All verifications are transferred automatically to *PostalOne!* (see Section 3-5, *PostalOne!* PBV In-Depth Verification Procedures).

For non-MERLIN sites, or if MERLIN is unavailable or if mail is not compatible with MERLIN, the results of a Presort Verification must be manually recorded on PS Form 2866, *Presort Verification Record* and all information must be reflected in *PostalOne!* or applicable manual forms. (For the latest edition of PS Form 2866, go to <http://blue.usps.gov/formmgmt/forms/ps2866.pdf>.)

3-5.5 Perform Mailpiece Count Verification

For Combined Value-Added Refund mailings, acceptance employees must perform the Mailpiece Count Verification (MPCV) manually. Use the following instructions and forms when applicable, based on mailing type:

- Exhibit 3-7, “SOPs for Verifying Piece Counts” — Provides detailed instructions for verifying MLOCR/BCS/Combined/VAR Mailings to determine if permit imprint and metered mailings have the proper postage affixed.
- Exhibit 3-8, “Standard Mail Piece Count Worksheet (letters)” — Assists acceptance employees in determining piece count for standard mailings.

- Exhibit 3-9, “First-Class Mail Piece Count Worksheet” — Assists acceptance employees in determining piece count for First-Class mailings. If there are findings during the MPCV, inform the mailer of errors identified, provide feedback on root causes of errors and corrective measures, and obtain disposition.

Note: Do NOT use MERLIN for MPCV verifications. Verification results must be recorded on Exhibit 3-10, “Quarterly Combined/VAR Accuracy Worksheet/Mailpiece Count Verification Log.” The BMEU supervisor or postmaster must review this log and forward a copy of the completed worksheet to the BMS Headquarters analyst on a quarterly basis. The BME manager or postmaster must review the mail piece count worksheet and note the corrective actions taken to resolve system discrepancies in Section A.

3-5.6 Conduct an Automation Mail Compliance Review

An acceptance employee may use MERLIN to perform an Automation Mail Compliance Review. Automation price mailings must be prepared in accordance with specific preparation standards described in the DMM. To ensure that mailings meet these standards, verify automated mailings through a Mailpiece Automation Compliance Review and a Barcode Quality Review.

If there are findings during the automation mail compliance review, inform the mailer of errors identified, provide feedback on root causes of errors and corrective measures, and obtain disposition.

Note: For non-MERLIN sites, acceptance employees must performance all automation compliance reviews manually using applicable templates, DMM specifications, PS Forms, and worksheets.

3-5.6.1 Mailpiece Automation Compliance Review

Automation price mailings must be reviewed to verify that the mailing is eligible for automation prices based on Physical Standards and Address Quality and Coding Standards.

3-5.6.1.1 Physical Standards

If MERLIN is not available or if the mailing is not compatible with MERLIN, manually review sample mailpieces to verify that the class of mail and mailpiece shape is eligible for automation prices, based on the following:

Shape and size (Use Notice 3-A, Letter-Size Mail Dimensional Standards Template for letter-sized mail or Notice 3-S “First-Class Mail Shape-Based Pricing Template for flat-sized mail, to determine height, length, and aspect ratio).

Thickness (see Exhibit 3-14, “Determining Mailpiece Minimum Thickness”).

Maximum weight for the class of mail and mailpiece shape being reviewed as required by the DMM.

Tab or wafer seal placement requirements, if letter-size mail (see DMM Section 201.1.0, Physical Standards for Machinable Letters and Cards).

Polywrap requirements, if flat-size mail (see DMM Section 301.3.0, Physical Standards for Automation Flats).

Flexibility (see Exhibit 3-15, “Determining Flexibility for Flats”) and uniform thickness for all flats and deflection requirements for a random sampling of 10

pieces for automated flat-sized mail (see DMM Section 301.3.0, Physical Standards for Automation Flats).

If the mailpiece does not meet all physical standards for automation mail, do NOT accept the mailing at automation prices:

- a) Contact the mailer and inform them of possible disqualification for automation mail prices. The mailer may elect to rework the mailing.
- b) If the mailer elects to pay nonautomation prices, follow the procedures in Step #17, Verification Errors, in Exhibit 3-1, Initial and In-Depth Verification Checklist.

3-5.6.1.2 Address Quality and Coding Standards

Automation prices mail may be produced using systems that are CASS or Multiline Accuracy Support System (MASS™)-certified for verifying delivery addresses. Mailers may also use address correction software that is CASS-certified. For a full listing of delivery point and carrier route methods, see DMM Section 708.3.0, Coding Accuracy Support System (CASS).

The mailer is required to report the date of address matching and coding on the postage statement. If address verification was performed using multiple lists, the mailer has to provide the earliest date of address-matching and coding. The mailer is not required to present PS Form 3553 at the time of mailing; however the mailer must retain this document as supporting documentation for one year. The Postal Service may request PS Form 3553 from the mailer during this time period.

The acceptance employee must review the postage statement to verify that the address matching and coding date is via current CASS-certified software and the current USPS database. Coding must be done within 90 days before the mailing date for all carrier route mailings and within 180 days before the mailing date for all non-carrier route automation price mailings.

Additionally, mailers claiming presort or automation rates for First-Class Mail and — as of November 2008 — Standard Mail, must demonstrate that they have updated the addresses in lists within 95 days of the mailing. The Postal Service offers four methods for move update, as followings:

- ACS™ Service;
- Ancillary Service Endorsements;
- FASTforward® System; and,
- NCOALink® Systems.

For more information, see Publication 363, Move Update, which is available at http://ribbs.usps.gov/move_update/documents/tech_guides/PUB_363_January_2009.doc.

3-5.6.1.3 Mailpiece Automation Results

If errors are identified during the Mailpiece Automation Compliance reviews, adjust the postage statement and follow the procedures outlined in Step #17, Verification Errors, in Exhibit 3-1, Initial and In-Depth Verification Checklist.

3-5.7 Barcode Quality Review

Acceptance employees may use MERLIN to conduct Barcode Quality Reviews to verify that the preprinted delivery point barcode for letter-size mail, ZIP+4® code, or delivery point barcode for flat-size mail, is readable on USPS automation equipment.

A Barcode Quality Review must be performed if the mailers claim automation mail prices or if barcode discrepancies are detected during the cursory review.

3-5.7.1 Barcode Quality Review Procedures

If MERLIN is not available or if the mail is not compatible with MERLIN, the acceptance employee must perform the following procedures manually to verify barcode quality:

Table 3-5.7.1

Barcode Quality Review Procedures

Tests	Procedures
Barcode First Review	<p>Select three trays/sacks of mail from various parts of the mailing. Select 10 sample mailpieces from one tray/sack and perform the following to inspect mailpiece barcodes:</p> <ul style="list-style-type: none"> a) <i>Automation Rate Barcode</i> - Visually check letter-size automation pieces to verify that delivery point barcodes are complete (each barcode has 65 bars). Visually check flat-size automation pieces to verify that delivery point or ZIP+4 barcodes are complete (each barcode has 52 bars). b) <i>Check Barcode Location</i> — Verify that pre-printed barcodes are positioned correctly on mailpieces. Use Notice 67, <i>Automation Template</i> to perform sample mailpiece review. See DMM Section 202.5, <i>Barcode Placement</i>. c) <i>Dimension and Spacing</i> - Visually check barcodes to verify that mailpieces meet the standards for barcode dimensions and spacing according to DMM Section 708.4.0, Standards for POSTNET and Intelligent Mail Barcodes. (Use Automation Gauge, <i>Model 007</i>). d) <i>Skew and Baseline Shift</i> — Verify that mailpiece barcodes do not slant or tilt. See DMM Section 708.4.5, <i>Skew and Baseline Shift</i>, for guidance on barcode slant or tilt. e) <i>Smearred Barcodes</i> — Verify that barcodes do not overlap due to barcode smearing. <p>If two or more pieces fail, proceed to <i>Barcode Second Review</i>.</p>
Barcode Second Review	<p>Select 10 pieces from another tray/sack and visually inspect the barcodes following the procedures in the Barcode First Review. If two or more samples fail, proceed to Barcode Third Review.</p>
Barcode Third Review	<p>Select 30 pieces from the last tray/sack and visually inspect the barcodes following the procedures in the Barcode First Review. If three or more pieces fail, use the postage adjustment worksheet to calculate the adjustment. See Exhibit 3-11, "Barcode Adjustment Worksheets and Instructions — Non-MERLIN Sites."</p>

Note: MERLIN is not able to read the Mailer ID of an Intelligent Mail Barcoded mailing. Errors identified on MERLIN must be reported to the BMEU supervisor or postmaster and MDA.

3-5.7.2 90% Threshold — Barcode Readability

If mailings do not fall within barcode quality tolerance levels during verification at MERLIN/*PostalOne!* sites, MERLIN will interface with *PostalOne!* to adjust postage amount automatically.

For non-MERLIN sites, the acceptance employee must use the Manual barcode verification worksheet in *PostalOne!* to determine if the mailing passes or fails and if the mailing fails to calculate additional postage. See Table 3-5.7.2 for a description of how *PostalOne!* will determine and calculate the additional postage.

Table 3-5.7.2

PostalOne! Additional Postage Calculations

Percentage	Procedures
90 to 100%	No adjustment required.
Below 90%	The mailing no longer qualifies for automation prices, nonautomation prices must be applied.

3.5.7.3 Barcode Review Results

If errors are found during the barcode reviews and a postage adjustment is required, according to Table 3-5.7.2, the acceptance employee must complete the following steps:

- a) Photocopy at least three mailpieces with barcode errors.
- b) Provide the mailer copies of the mailpiece(s) with errors and summary MERLIN reports (MERLIN sites), the adjustment worksheet used for price adjustment, and a notification explaining the test results.
- c) Adjust the postage statement to reflect additional postage collected in the USPS Only Section of the postage statement.
- d) Retain test results and provide the mailer with a copy of the worksheets and/or MERLIN reports (MERLIN sites).
- e) Continue with the procedures outlined in Step #17, Verification Errors, in Exhibit 3-1, Initial and In-Depth Verification Checklist.

3-6 MERLIN

The Mailing Evaluation and Readability Lookup Instrument (MERLIN) is a verification tool designed to assist acceptance employees in mail verification by automatically verifying mail against USPS standards established in the DMM. Acceptance employees may run samples through MERLIN to test mailpieces on the following criteria:

- Presort/Mail Make-up;
- Weight/Piece Count;
- Barcode Readability;
- Tray Label Accuracy;
- Meter Identification and Date;
- Address/Barcode Accuracy;
- Carrier Routes;
- Walk Sequence Accuracy;
- Line-of-travel;
- Endorsements and Price Markings;
- Combined Mailings; and,
- Mailpiece Dimensions.

3-6.1 MERLIN Verification

MERLIN verification includes the following activities:

- Sample Selection;
- Diagnostic Test;

- Adjustment for Common Machine Functioning Errors;
- Two-Piece Tolerance;
- Over-Write Report;
- Evaluate Results;
- Second Level Review (when necessary or requested); and,
- MERLIN Maintenance and Operations Database (MMOD).

The MERLIN verification process begins with postage statement data being entered into the transactions page of *PostalOne!*. This information is then electronically sent from *PostalOne!* system to MERLIN. In the event that a mailing is not received on MERLIN after being submitted from *PostalOne!*, the mailing data may be manually entered by selecting “Other Run” on the Permit Entry screen of MERLIN.

The mail is then run through MERLIN for verification, and the results from the MERLIN verification are sent back to *PostalOne!* electronically.

After you submit the postage statement data to MERLIN, *PostalOne!* displays the assigned Postage Statement ID that you will use to identify and select the job on the MERLIN.

You now have all postage statement information entered into *PostalOne!*. Bring the sample mail to the MERLIN and you are ready to start the MERLIN verification.

For additional information on MERLIN maintenance and operating requirements, see Exhibit 3-16, “Standard Operating Procedures for MERLIN Startup, Mailing Verification, and Reports” and Exhibit 3-17, “MERLIN Reports.”

3-6.1.1 Sample Selection

Acceptance employees must select trays/sacks for sampling as determined in the Sample Selection matrix in *PostalOne!*.

If MERLIN is unavailable (i.e., system outage) or mailings are incompatible with MERLIN, see the “Mail Verification” section of the *PostalOne!* Outage Contingency Plan, available via the following link:
<http://blue.usps.gov/bma/procedures.htm>.

The acceptance employee is required to run ALL mailpieces from the sample containers.

3-6.1.1.1 Diagnostic Test

An acceptance employee may perform a Diagnostic Test to evaluate a mailing and assist the mailer in correcting mailpiece problems. There is no postage adjustment based solely upon the reported score of a diagnostic test. The following are the current diagnostic tests performed:

- Address Accuracy;
- Barcode Readability; and,
- Mailpiece Characteristics — may lead to mail disqualification. Must be reviewed and results confirmed before any action is taken.

A Diagnostic Report may disqualify a mailing for a specific price if the mailing does not meet applicable standards. For example, the Mailpiece Characteristics report may show that a mailing was entered as a letter, but is actually a flat. In this case the acceptance employee must perform a

secondary physical verification of this characteristic. Based upon the results of this secondary test, the postage would be adjusted accordingly.

3-6.1.1.2 Adjustment for Common Machine Functioning Errors

The acceptance employee must run sample mailpieces and analyze the results. The acceptance employee (MERLIN Operator) must confirm verification errors by comparing physical pieces from the sample to the verification report. If the employee cannot confirm the errors or they identify operator errors in processing the mailing, they may overwrite the MERLIN errors. Before overwriting errors, acceptance employees should consult with supervisor for concurrence.

3-6.1.1.2.1 Presort verification Two-Piece Tolerance for MLOCR Mailers

For Multi-Line Optical Character Reader (MLOCR) mailers with automation price mailings, the minimum quantity for 3 and 5 digit ZIP codes and Area Destination Center destinations is 150 mailpieces. In some circumstances, random tray selection may result in a situation where the MLOCR Qualification Report reflects a count that may be close to, but not equal to the amount reported. In these circumstances, acceptance employees must allow a two-piece tolerance. Perform the following:

- If the MLOCR Qualification Report shows that the piece counts meet the required minimums and the MERLIN or manual presort verification does not fall below 148 pieces, no adjustment will be assessed for failure to meet required minimums.
- If the MLOCR Qualification Report shows that the piece counts meet the required minimums and the MERLIN or manual presort verification falls below 148 pieces, then postage must be adjusted according to the normal presort rules.

3-6.1.1.2.2 MPTQM Certified Mailers

For Mail Preparation Total Quality Management (MPTQM) certified mailers, for MERLIN identified presort errors only, no postage adjustment should be made if the average presort error rate is less than 4% for the following:

- BMEU acceptance employees must average the current mailer's error rate with that of the prior three mailings verified.
- DMU acceptance employees must average the current mailing's error rate with that of the prior three mailings. The average must be applied to the current mailing's postage statement.

Note: If the current mailing's presort error is greater than 10%, acceptance employees must not use the average. See Exhibit 3-18, "MPTQM Merlin Presort Failure Rolling Average Worksheet").

3-6.1.1.3 Overwrite Report

If any tolerance is exceeded during a MERLIN sampling, a review must be performed by the acceptance employee. Acceptance employees must submit all mailing documentation pertaining to the error to the BMEU supervisor, postmaster, MDA, or authorized designee for review. If the reviewer does not concur with the acceptance employee, the reviewer will perform a Level 2 overwrite.

3-6.1.1.4 Evaluate Results

Acceptance employees must review MERLIN diagnostic reports to confirm mail quality for criteria listed in the introduction of Section 3-6, MERLIN. Acceptance employees must also validate errors if any, and over-write machine errors, as necessary. Acceptance employees must contact the mailer immediately to discuss errors identified, provide feedback on root causes of errors and corrective measures, and obtain disposition.

If no errors are identified in the mailing, the acceptance employee must enter the results in *PostalOne!*.

Following MERLIN verification, samples must be handled in one of the following ways:

- If no errors are identified, sample mailpieces must be returned to the mailing to be cleared and released to operations.
- If errors are identified, sample mailpieces must be returned to the mailing, to await mailer disposition.

3-6.1.1.5 Second Level Review

An MDA, BMEU supervisor, postmaster, or authorized designee must complete a Second level review before final action is taken. A **Second Level review must be completed if the acceptance employee is unable to validate Barcode Readability and Barcode Digit String “9999” errors, specifically requested by the mailer, or if required for an appeals process.**

If a mailer requests a Second Level review the following procedures must be performed:

- a) Review individual pieces with errors against the Barcode Readability and Error Listing reports generated by MERLIN.
- b) Determine if errors were due to machine error and not improper preparation. If applicable, follow procedures outlined in Section 3-6.1.1.3.
- c) If errors are confirmed to be valid (not machine errors), advise the mailer of the following options:
 1. Re-work the postage statement with the mailing;
 2. Pay additional postage; and,
 3. Appeal the disqualification (see Section 3-6.1.2, MERLIN Appeals Process).
- d) Continue with the procedures outlined in Step #17, Verification Errors, in Exhibit 3-1, Initial and In-Depth Verification Checklist.

Note: At the mailers request, in the case of barcode readability errors, the second level review may be conducted by the MDA exclusively. The MDA will review live mailpieces that were identified with quality issues as quickly as possible. However, there may be a delay if the MDA is not stationed at the acceptance site.

3-6.1.2 MERLIN Appeals Process

If disqualifying errors are identified, the mailer may appeal the disqualification. This section describes the appeal procedures for:

- Barcode Digit String Failures.
- Accuracy and Barcode Readability Failures.
- Barcode Digit String/Accuracy Readability Appeals — Processing.

3-6.1.2.1 Barcode Digit String Failures

The Barcode Digit String Report verifies barcodes for ZIP+4 codes that end in “9999” and “0000.” If a “0000” code or incorrect “9999” ZIP+4 code is identified, the mailing is NOT eligible for the automation prices. The mailer has the option to appeal the incorrect “9999” 4-digit add-on. Copies of failed mailpieces bearing the “9999” 4-digit add-on must be faxed to USPS Headquarters (202-268-8273, attn: MERLIN Digit String Appeal). USPS Headquarters must consult with the National Customer Support Center (NCSC) to validate the errors. USPS Headquarters will provide the results of the consultation with NCSC to the mailer.

The acceptance employees must provide the BMEU supervisor or postmaster with the following information:

- a) Mailer’s contact information;
- b) Copy of the mailpiece(s) containing the error; and,
- c) MERLIN Reports (Summary Verification Report and Barcode Readability Report).

The BMEU supervisor or postmaster is responsible for reviewing the information provided, contacting the mailer, and requesting PS Form 3553, *CASS Report*.

3-6.1.2.2 Barcode Readability Failures

The mailer may appeal the barcode readability verification results, when notified of a failure. The sample is sent by the acceptance site to the PCSC, who will then conduct an independent verification test of the mailing. The PCSC will provide the mailer with the final decision in writing and notify the BMEU supervisor or postmaster of the decision.

The detailed instructions for the MERLIN Barcode Readability Appeals Process are located on the “Verification” page of the Business Mail Acceptance (BMA) website via the following link:

<http://blue.usps.gov/bma/verification.htm>.

3-7 Full-Service Intelligent Mail Device

The Full-Service Intelligent Mail Device (FS-IMD) is a verification tool (scanning device) designed to collect data during the verification of full-service mailings. The FS-IMD is a hand-held scanner used to scan Intelligent Mail barcodes on containers (e.g., pallets, APCs), handling units (trays, sacks, bundles), and mailpieces. Instructions for operating the FS-IMD can be found in the *Full-Service Intelligent Mail Device (IMD) User Guide* at <http://blue.usps.gov/bma/tools.htm> (under the section titled “Verification”). This section outlines the procedures for verifying Full Service mailings using the FS IMD scanner.

3-7.1 Full-Service Mail Verification

All business mailings are subject to an Initial review. As part of the cursory review of the mailing acceptance personnel should examine the container, handling unit and pieces of a Full Service mailing to ensure they have Intelligent Mail barcodes applied as required.

Visually inspect the mailing to look for disqualifiers. A mailing is disqualified for Full-Service discounts if:

- The documentation was not submitted electronically.
- There is no Intelligent Mail container barcode on the container placards
OR
the container placards are inside or covered by the stretch-wrap.
- There is no Intelligent Mail tray barcode on the handling unit label.
(Handling units are trays and sacks.)
- There is no Intelligent Mail barcode (IMb) on mailpieces.

Once you have determined the mailing meets these initial qualifiers, then conduct the sampling scanning as required. For Full Service mailings acceptance personnel will use the FS IMD device to conduct a sampling of the mailing.

Note: If you find any of these errors, do not proceed with any other acceptance verifications until the customer has been contacted and Full-Service issues are resolved. For instructions, refer to the Full Service training on the <http://blue.usps.gov/bma/training>.

All verifications requested by PBV must be performed. Detailed in-depth verification procedures are located in Section 3-5, *PostalOne!* PBV In-Depth Verification Procedures. Detailed information on PBV is in Section 3-4, *PostalOne!* Performance Based Verification (PBV) – Overview.

3-8 Finalizing Verification Results Procedures

This section provides additional information and guidance for finalizing verification results, as outlined in Exhibit 3-1, Initial and In-Depth Verification Checklist. PS Form 2866, *Presort Verification Record* summarizes errors contained in a presort mailing and provides a calculation of the costs and a record of the disposition. (For the latest edition of PS Form 2866, go to <http://blue.usps.gov/formmgmt/forms/ps2866.pdf>.)

3-8.1 Verification Errors

If errors are identified during Initial or In-Depth Verification, the acceptance office should contact the mailer immediately and inform the mailer of errors identified, provide feedback on root causes of errors and corrective measures, and obtain disposition. The mailer can either rework the mailing or pay additional postage.

Findings must be recorded in the Disqualified Mail Log (Exhibit 3-12, “PS Form 8075, Mailer Notification Log for Disqualified Mailings”). The BMEU supervisor or postmaster is responsible for reviewing the Disqualified Mail Log on a daily basis and discussing resolutions with acceptance employees and mailers, as necessary. If there are any unresolved issues in the Disqualified Mail Log, the BMEU supervisor or postmaster must contact the mailer immediately to address any open items.

Note: The findings recorded on the Disqualification Log must only reflect mailings that reflect cost avoidance (i.e., postage not collected for errors identified during all verification procedures performed).

3-8.2 Approval of the Mail

Acceptance employees must process postage statement information into *PostalOne!* system prior to clearing the mail into operations. After completion of verification, the acceptance employee must finalize the postage statement as indicated below and debit the mailer’s account:

- **Electronically submitted postage statements.** When the acceptance employee submits and finalizes the postage statement, it is electronically signed and dated within *PostalOne!*. Customers who submit electronic statements can go to *PostalOne!* via the Business Customer Gateway for their receipts.
- ***PostalOne!* sites.** Acceptance employees are not required to complete the “USPS Use Only” section or round date postage statements, and may handwrite the signature, printed name, time, and verification date on any hardcopy postage statements that are presented.
- **Non-*PostalOne!* sites.** Acceptance employees must sign, print, time, and round date finalized postage statements.

Exception: For DMUs not equipped with *PostalOne!*, postage statements must be entered in *PostalOne!* by no later than the close of business on the day the mailing was verified.

Note: Customers who submit hard-copy postage statement duplicates trying to get “proof” of mailing will receive a printed 3607-R, *Mailing Transaction Receipt*, attached to their duplicate statement after acceptance and verification are complete (only provide upon request). For mailers who do not request a copy of PS Form 3607-R, *Mailing Transaction Receipt*, acceptance employees should not mail back the form to the mailer.

3-8.3 Release Mail into Operations

A mailing is cleared to operations for processing, once the acceptance employee has completed verification procedures. Acceptance employees are responsible for physically attaching PS Form 3607-P *Mail Release Placard* to each mailing. Additional mail clearance placards may be used in conjunction with PS Form 3607-P to notify operations employees that the mail is cleared for processing.

For mailings cleared at DMU sites, no clearance placarding is required on each mailing. However, for mailings that have been verified, finalized in *PostalOne!*, and loaded onto US Postal Service transportation, acceptance employees must seal, lock, and secure USPS vehicles with numbered seals upon load completion.

Exception: For *PostalOne!* sites processing combined mailings, no PS Form 3607-P will be generated by *PostalOne!* when the master postage statement is finalized. PS Form 3607 must be completed manually, and acceptance employees must sign, print, indicate time, round date, and attach PS Form 3607 to each cleared mailing. PS Form 3607 is available online at: <http://blue.usps.gov/formmgmt/forms/3607.pdf>.

Note: Mailhandlers will compare the information on PS Form 3607-P with the number of containers to be processed. If there are any discrepancies, the operations employees will contact the BMEU supervisor or postmaster, and cannot induct the mail into operations.

3-8.4 Document Retention Requirements

Postage statements must be retained for four years. The following provides additional information:

- The appropriate supporting documentation must be retained for 90 days and should be filed by month for identification purposes.

- Hardcopy postage statements must be stored in a secure location with access limited to authorized BMEU employees.
- Electronic postage statements are stored in *PostalOne!* for four years. For eDoc methods, *PostalOne!* retains electronic postage statements for four years. *PostalOne!* is the system of record. No hard copy documentation (postage statements) are provided to the acceptance unit or retained by the unit. However, *PostalOne!* cannot store worksheets. Acceptance employees must print and retain worksheets applicable worksheets for 90 days.

Note: All supporting documentation, worksheets, and forms must be retained for 90 days. The BMEU is required to establish standard operating protocols for retaining documentation in a secure location. The BMEU may choose to store all non-error documentation in a locked file cabinet and purge files at designated periods to conserve space.

3-8.5 Postage Statement Reversal and Adjustment Procedures

Acceptance employees may reverse or make adjustments to a postage statement due to inaccurate information entered into *PostalOne!*. These procedures are subject to second party concurrence requirements per Section 1-4.1, *PostalOne!* 2nd Concurring Employee Transaction. The *PostalOne!* system will prompt acceptance employees for customer contact information before allowing adjustments to postage. The acceptance employees must perform the following:

- Mailer-generated Error — Mailer must submit written acknowledgement of error to BMEU and acceptance employees must enter the appropriate reason code for the reversal or adjustment and submit comments in the *PostalOne!* transaction record.
- Employee-generated Error - The error must be immediately corrected on the postage statement and adjusted in *PostalOne!* prior to proceeding with verification and disposition of mailing. If the error occurred on a postage statement that was processed on a previous day, inform the BMEU supervisor or postmaster, and mailer and identify the cause for the error.

Note: in either case, the “Mailing Date” is always the day the mailing was actually verified and released to Operations.

Acceptance employees must enter the appropriate authorized reason code for the reversal or adjustment and submit comments in the *PostalOne!* transaction record. Acceptance employees must also change the original postage statement date to the date of postage statement re-submission, to comply with timely entry requirements.

3-9 Electronic Verification System (eVS®)

The Electronic Verification System (eVS®) allows package mailers and consolidators to document and pay postage, including extra service fees, using electronic manifest files. All domestic mail parcels may be entered through eVS. Letter and flat-size mailpieces cannot be mailed through eVS with the exception of Priority Mail and Express Mail. eVS mailers do not provide hard copy PS Forms 8125 for mailings that are drop shipped.

For a comprehensive description of eVS including: the application and authorization process; required and optional use; technical requirements;

verification and adjustment processes; quality assurance; and reports; see Publication 205, *Electronic Verification System Business and Technical Guide*.

For detailed instructions on sampling and verification, see *Electronic Verification System Intelligent Mail Device User Guide, Version 2.0* posted on the *PostalOne!* Training Login page via the following link:

<https://site1.PostalOnetraining.com>. Additional information on eVS is located in DMM 705, and Publication 804, Section 6-5.1, Overview of eVS.

Approved eVS mailers can be located on RIBBS at http://ribbs.usps.gov/evs/documents/tech_guides.

Acceptance and verification procedures as well as eVS system administrative responsibilities are outlined in the Standard Operating Procedures (SOP) maintained by eVS program office, Business Mailer Support.

3-10 End of Day Reconciliation in *PostalOne!*

At the end of each business day the acceptance unit must ensure that each mailing has been accurately checked-in and that all activities for the mailing have been recorded. At the end of the day, acceptance personnel need to ensure that all mail presented to the unit has been paid for and released for processing or is appropriately staged for proper disposition. Additionally, the supervisor/postmaster must understand the status of any unfinalized postage statements on the dashboard and the mailing associated to it. .

The acceptance unit supervisor or designee must generate the end of day reconciliation report after close of business and verify the status of the business activities for the day. *PostalOne!* will capture the user's initials, date and time of the End-of-Day Close-out (Reconciliation) report and retain it in the system.

3-10.1 Dashboard Workload Overview

In addition to the End-of-Day Reconciliation report, the Workload Overview is an effective management tool to determine if any statements/mailings may be pending action beyond the current day's mailings which may be found in the daily end-of-day reconciliation report,

The Workload Overview function is to display jobs that have been submitted less than 8 hours (green light), between 8 and 24 hours (yellow light), and over 24 hours up to three months (red light).

4 International Mail

This chapter provides detailed guidelines for acceptance employees for receiving, verifying, and processing international mail.

International mail verification procedures are the same as the procedures discussed in Chapter 3, Verification, with the exception of mail through Customized Agreements, International Priority Airmail® (IPA®), and International Surface Air Lift® (ISAL®). Additionally, the *International Mail Manual* (IMM) provides further guidance on international mail verification, standards, postage prices, and processing procedures.

Chapter 4 is divided into the following sections:

Section	Title
4-1	Customized Agreements
4-2	International Priority Airmail
4-3	International Surface Air Lift
4-4	Initial Verification Procedures
4-5	Verification Presort Requirements

4-1 Customized Agreements

Acceptance employees must verify that mailings submitted under a customized agreement meet specific requirements outlined by USPS instruction. These instructions include the following:

- Type of mail tendered by mailer;
- Term of the agreement;
- Weight and size limits;
- USPS services provided;
- Designated mailing sites;
- Operational preparation requirements;
- Minimum volume or postage commitment;
- Postage payment method; and
- Approved drop shipment location(s), as applicable.

Once customized agreements or amendments are approved and signed at USPS Headquarters, an email is prepared and sent to each district BME office and will contain the agreement and amendment information needed for mail acceptance and verification. The district BME office must forward applicable details of the customized agreement to local acceptance sites. The acceptance site must maintain a hardcopy file of each customized agreement in a secure location, where acceptance employees are able to access required/relevant agreement information.

Acceptance employees must enter PS Form 3700, *Postage Statement — International Mail*, information for these customized agreement mailings into *PostalOne!*.

4-2 International Priority Airmail

International Priority Airmail (IPA) service is as fast, or faster than, First-Class Mail International™ service for volume mailings of all First-Class Mail International postcards, letters, large envelopes (flats), and packages (small packets). For additional references, please see IMM Section 292, International Priority Airmail Service.

4-3 International Surface Air Lift

International Surface Airlift (ISAL) is a bulk mailing system that provides fast, economical international delivery of First-Class Mail International postcards, letters, large envelopes (flats), and packages (small packets) at a price that is lower than First-Class Mail International. ISAL shipments are transported to foreign destinations and entered into that country's surface or nonpriority mail system for delivery. ISAL service is available to the foreign countries listed in IMM Exhibit 293.452 from all Post Office facilities where bulk mail is accepted and from the Drop Shipment facilities listed below (as noted in IMM Section 293.532):

New York

JOHN F KENNEDY AIRPORT MAIL CTR
US POSTAL SERVICE
JOHN F KENNEDY INTERNATIONAL AIRPORT BLDG 250
JAMAICA NY 11430-9998

Florida

MIAMI INTERNATIONAL SERVICE CTR*
US POSTAL SERVICE
11698 NW 25TH ST
MIAMI FL 33112-9997

** Only plant-verified mail is transported to this facility by the mailer.*

MIAMI PROCESSING AND DISTRIBUTION CTR
US POSTAL SERVICE
2200 NW 72ND AVE
MIAMI FL 33152-9997

Texas

NORTH TEXAS P&DC
US POSTAL SERVICE
951 W BETHEL RD
COPPELL TX 75099-8811

Illinois

JT WEEKER INTERNATIONAL SERVICE CENTER
US POSTAL SERVICE
OHARE INTERNATIONAL AIRPORT
514 EXPRESS CENTER DR
CHICAGO IL 60688-9998

California

LOS ANGELES ISC
US POSTAL SERVICE
5800 W CENTURY BLVD

LOS ANGELES CA 90009-9998
 SAN FRANCISCO ISC
 US POSTAL SERVICE
 2650 BAYSHORE BLVD
 DALY CITY CA 94013-1631

4-4 Initial Verification Procedures

Initial Verification procedures for international mailings differ slightly from domestic mailings; this section provides an overview of the specific procedures for verifying and processing international mail. Additionally, Initial Verification procedures are similar for both IPA and ISAL mailings. This section will identify the differences in each process, when applicable.

4-4.1 Verification Procedures

Acceptance employees must verify international mailings for the following criteria:

- a) IPA mailings are separated by worldwide nonpresort mail sacks and presorted mail sacks (direct country and mixed direct country package) and by price.
- b) ISAL mailpieces are separated by type (direct country, mixed direct country package, and residual) and by price group.
- c) Destination labels and tags are attached to sacks with correct information:
 1. IPA mailings, use PS Tag 115, *International Priority Airmail*, and PS Tag 178, *Airmail Bag Label LC* (CN 35/AV 8).
 2. ISAL Direct Country, Mixed Country Package, and Residual Sacks use PS Tag 155, *Surface Airlift Mail*.
 3. ISAL M-bag mailings, use PS Tag 155, *Surface Airlift Mail*, and PS Tag 158, *M-bag Addressee Tag*.
- d) Ensure mailing content is limited to First-Class Mail.
- e) International through a random check (for IPA and ISAL mailings, IMM Section 240, *First-Class Mail International*; for ISAL M-bag mailings, IMM Section 260, *Direct Sacks of Printed Matter to One Addressee (M-bags)*).
- f) For company permit holders, the return address must be a domestic location. Mailings with foreign return addresses may be subject to additional charges or may be returned to sender without attempting delivery.
- g) PS Form 2976, *Customs Declaration CN 22 — Sender's Declaration*, as required (IMM Exhibit 123.61).
- h) PS Form 8125, *Plant-Verified Drop Shipment (PVDS) Verification and Clearance*, is attached for drop shipments, as applicable.
- i) The correct permit imprint indicia are used (IMM Exhibit 152.44).
- j) Service endorsement "Airmail/Par Avion" is marked on the address side of each piece for IPA mailings only (IMM Section 292.4, *Mail Preparation*).

4-4.2 Eligibility and Qualification

Table 4-4.2 provides the eligibility and qualification requirements for IPA and ISAL mailing types:

Table 4-4.2

IPA and ISAL Eligibility and Qualification Requirements

Mailing Type	Eligibility	Qualification
IPA	Mailings are subject to a per-piece price and a per-pound price. There are two price options — presort group prices with nine price groups and a worldwide nonpresort price. Both have options for a full service price and a drop shipment price (PS Form 3700 and IMM Exhibit 292.31, Prices). M-bags are subject to a minimum bag charge for all weights up to 5 pounds and a per-pound charge for each additional pound (or fraction) above 5 pounds.	To qualify for presort group prices; each price group in a mailing must weigh a minimum of 5 pounds to a specific price group. Within the price group, pieces must be prepared either in direct country packages of 10 or more pieces or one pound of mail or more and placed in a direct country sack (minimum 5 pounds).
ISAL	Mailings are subject to a per-piece price and a per-pound price. M-bags are subject to a minimum bag charge for all weights up to 5 pounds and a per-pound charge for each additional pound or fraction of a pound above 5 pounds.	To qualify for ISAL prices, each mailing must weigh a minimum of 50 pounds. Residuals cannot exceed 10% of the combined weight of all other mail**.

** This requirement may vary for Customized Agreements

4-5 Verification Presort Requirements

Acceptance employees must verify that mailers have complied with sorting, packaging, sacking, and labeling requirements. The following section provides verification requirements for IPA and ISAL mailings.

4-5.1 Packages

Select one sack and verify the following:

- a) Package pieces are properly faced.
- b) Packages of letter-size pieces are securely banded.
- c) Packages of flat-size pieces are securely banded and do not weigh more than 5 pounds.

Each direct country package contains a minimum of 10 pieces or at least one pound in weight to the same country. Mail for Great Britain and Canada require a finer sortation (IPA). See IMM Section 293, *International Surface Air Lift (ISAL) Service* for ISAL exception.

- a) Each direct country package contains a facing slip marked with the appropriate country and price group number. Facing slips are not required on country packages that are placed in direct country sacks. See IMM Section 293, *International Surface Air Lift (ISAL) Service* for ISAL exception.
- b) Worldwide nonpresort working mail packages contain a facing slip marked with “Working” and price group number (IPA)

4-5.2 Sacks

Select one sack and verify the following:

- a) Sacks are physically separated by price groups and type. The mailer must specify the price group on the applicable tag: Tag 115 (IPA), Tag 155 (ISAL), or Tag 158 (M-bag). Sacks must be individually identified as direct country, mixed direct country, residual (ISAL), worldwide nonpresort (IPA), or M-bag.
- b) Physical count for number of sacks on the postage statement.
- c) Each direct country sack contains a minimum of 5 pounds to same country (ISAL) or 5 pounds to same price group (IPA).
- d) Mixed direct country sack (IPA) contains 10 or more pieces or one pound or more of destined to a specific country.
- e) Worldwide nonpresort price (IPA) mail sack contains only working mail packages and qualifying loose items.
- f) Sacks and contents do not exceed the weight limit of 66 pounds for IPA mailings or fall below a minimum of 50 pounds for ISAL.

Note: Additional information for other sacks (e.g., M-Bags, direct country package), see IMM Section 292, *International Priority Airmail (IPA) Service* and IMM Section 293, *International Surface Air Lift (ISAL) Service*.

4-5.3 Sack Labeling

Mixed Direct Country Package Sack — Select one sack from IPA and ISAL mailings and verify the information on the sack label is correct (for IPA, IMM Exhibit 292.452, and for ISAL, IMM Exhibit 293.452):

- Line 1: Designated U.S. Exchange Office and Routing Code
- Line 2: Contents — IPA DRX, ISAL DRX, or ISAL WKG
- Line 3: Mailer and Mailer location

Canada Presorted Mail (IPA) — Select one sack and verify the following information on the sack labels is correct (IMM Exhibit 292.47):

- Line 1: Canadian Destination, U.S. Exchange Office Code
- Line 2: Contents — IPA
- Line 3: Mailer and Mailer location

Worldwide Nonpresort Mail Sacks (IPA) — Working packages of mixed country mail and loose items must be placed in Priority Mail sacks, unless other equipment is specified by the BMEU. Nonpresorted letter-size mail may be presented in trays, as authorized.

Select one sack and verify the following information on the sack labels is correct (IMM 292.463):

- Line 1: Appropriate U.S. Exchange Office and Routing Code
- Line 2: Contents — IPA — WKG
- Line 3: Mailer and Mailer Location

Note: Working packages of mixed country mail cannot be enclosed in mixed direct country package sacks.

Note: For IPA and ISAL labeling, sacking, and other requirements, see IMM Section 292, *International Priority Airmail (IPA) Service* and IMM Section 293, *International Surface Air Lift (ISAL) Service*, respectively.

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5 Periodicals

This chapter provides the specific procedures for Periodicals mailings and applications based on the DMM Section 707, *Periodicals*.

Chapter 5 is divided into the following sections:

Section	Title
5-1	Periodicals Eligibility
5-2	Application for Periodicals Mailing Privileges
5-3	Copies Filed By Publisher
5-4	Content Eligibility
5-5	Mailing Verification Procedures
5-6	Annual Periodicals Reviews
5-7	Periodicals and Centralized Postage Payment (CPP) in <i>PostalOne!</i>

5-1 Periodicals Eligibility

Each Periodicals publication must receive specific authorization, in order for the publication to be mailed at Periodicals prices. See DMM 707 for eligibility criteria and qualification categories.

5-2 Application for Periodicals Mailing Privileges

To apply for Periodicals mailing privileges, a publisher must file an *Application for Periodicals Mailing Privileges* (PS Form 3500).

To modify an existing Periodicals authorization, a publisher must submit an *Application for Additional Entry, Reentry or Special Price Request* (PS Form 3510).

- To add an additional entry office, a publisher must submit an *Application for Additional Entry, Reentry or Special Price Request* (PS Form 3510).
- Application instructions are in Handbook DM-204, *Applying for Periodicals Mailing Privileges* and in instructions provided by the Pricing and Classification Service Center.

5-2.1 Periodicals Review — Handling Compliance Issues for new Periodicals applications

Unless PS Form 3500, *Application for Periodicals Mailing Privileges* is submitted under New Launch, or unless the publisher requests an initial audit by an independent audit bureau, publishers should have the necessary documents available when they apply to substantiate the circulation data on the PS Form 3500.

5-2.2 Pending Applications

A publisher or news agent cannot mail at Periodicals prices before the PCSC approves PS Form 3500. First-Class Mail, Standard Mail, or Package Services prices — as applicable — apply to mailings while the PCSC is processing PS Form 3500.

5-2.3 Record of Deposits and Mailings

Acceptance offices must maintain records of all mailings made while an application for Periodicals prices is pending.

5-3 Copies Filed by Publisher

The publisher must submit a copy of each issue of each approved publication for mailing to the original entry post office. Acceptance personnel verify that the publication is published according to the Statement of Frequency.

5-3.1 Marked Copy

The publisher must file a copy of each issue of a publication, marked for advertising, with either the postmaster of the original entry office or the postmaster of the additional entry office where the publication is produced or prepared for mailing.

5-4 Content Eligibility

Publications must comply with content standards for Periodicals price eligibility.

5-5 Mailing Verification Procedures

Acceptance employees are responsible for verifying that Periodicals mailers have submitted mailings prepared according to USPS Periodicals mailing standards. Verifications are discussed in Chapter 3.

5-5.1 Overnight Drop of Time-Sensitive Periodicals at Small Post Office Locations

The Postal Service allows an exception to timely entry requirements for time-sensitive Periodicals mailings deposited at origin post offices after business hours (late night or early morning), commonly referred to as overnight drops.

Publishers may make an overnight drop as long as the origin post office approves it and the publisher guarantees that sufficient funds are deposited in their advance deposit account to ensure that a negative balance does not exist. Publishers must understand that regardless of the date entered in the “Date of Mailing” field on the postage statement, all classes of mail, including Periodicals, deposited after BME Critical Acceptance Time (CAT) shall receive the next day’s date recorded in the “Mailing Date” field in *PostalOne!* The “next day” is defined as the first possible processing day after the mail is deposited.

In the scenarios below, the postage statement and marked copy of the publication (if applicable) must be provided with the mail unless and until a publication has been approved for the alternative verification process by USPS Headquarters. A publication that has such approval may submit postage statements and supporting documentation no later than 11:00 A.M. on the following business day that the drop occurs — or no later than 11:00 A.M. on

the next business day following a weekend or holiday period when acceptance personnel are not available. Saturdays and Holidays shall be included as a “business day” for sites open to the public on those days. The postage statement must be entered into *PostalOne!* immediately upon receipt to ensure that postage is properly collected and reported. Postage statement entry must be governed according to the overnight drop mailing scenarios described below:

- *Overnight Drops occurring after close of business during the business week:* The postage statement and marked copy (if applicable) must be submitted no later than 11:00 A.M. the following business day, and the postage statement must be entered into *PostalOne!* immediately upon receipt to ensure that postage is properly collected and reported. Since the mailing was deposited after CAT the previous business day, the date entered in the “Date of Mailing” field on the postage statement and the date recorded in the “Mailing Date” field in *PostalOne!* should be the same.
- *Overnight Drops occurring after close of business for a non-Holiday weekend:* The postage statement and marked copy (if applicable) must be submitted no later than 11:00 A.M. of the next business day following the weekend closing, and the postage statement must be entered into *PostalOne!* immediately upon receipt to ensure that postage is properly collected and reported. Since the mailing was deposited after CAT the previous business day, the date entered in the “Date of Mailing” field on the postage statement and the date recorded in the “Mailing Date” field in *PostalOne!* may vary by no more than the number of non-business days from the drop date to the next business day.

Example: If the mailing is dropped after CAT Friday at 3:00 A.M. Saturday morning and released to Operations, the postage statement must be received and finalized in *PostalOne!* on Monday. The “Mailing Date” (the day the mail arrives for verification and acceptance) is Saturday, the “Certification Date” (the date *PostalOne!* shows the mail was finalized in the system) in *PostalOne!* is Monday, and the date variance is three (3) days.

- *Overnight Drops occurring after close of business for a Holiday weekend:* The postage statement and marked copy (if applicable) must be submitted no later than 11:00 A.M. of the next business day following the Holiday, and the postage statement must be entered into *PostalOne!* immediately upon receipt to ensure that postage is properly collected and reported. Since the mailing was deposited after CAT the previous business day, the date entered in the “Date of Mailing” field on the postage statement and the date recorded in the “Mailing Date” field in *PostalOne!* may vary by no more than the number of non-business days from the drop date to the next business day.

Example: If the mailing is dropped after CAT Friday at 3:00 A.M. Saturday morning and released to Operations, the Holiday is on Monday, and the postage statement must be received and finalized in *PostalOne!* on Monday. The “Mailing Date” is Saturday, the “Certification Date” in *PostalOne!* is Tuesday, and the date variance is four (4) days.

- *Overnight Drops occurring after close of business for a mid-week Holiday:* This scenario is governed by the same procedures detailed above in

Overnight Drops occurring after close of business for a non-Holiday weekend.

5-5.1.1 Verification of Overnight Drop of Time-Sensitive Periodicals at Small Post Office Locations

Acceptance employees are required to adhere to the following mail acceptance policy for low circulation and mail volume Periodicals that meet the criteria outlined below. Periodicals affected by this policy are commonly referred to as newspapers and are produced to provide predominately local time-sensitive information, news, and events to a subscription or requester base of recipients. These Periodicals are mailed at frequencies weekly or more often. Due to the challenges regarding publication of these time-sensitive publications and the limitations on business mail acceptance capabilities where the publication's accounts are held, local origin acceptance offices have allowed these types of Periodicals to be dropped at local office or local delivery offices after normal business mail acceptance hours so they can be processed for timely delivery. This policy supersedes all current HQ, Area, and District acceptance and verification procedures for these newspaper Periodicals that have been authorized to enter the mailing at Post Offices or local postal delivery facilities so that they can be processed for timely delivery. This policy regarding the application of non-standard verification processes only applies to publications currently authorized to mail under Periodicals privileges (Periodicals authorization approved or an application to mail at Pending Periodicals privileges has been filed and fees paid prior to November 16, 2009) and the publication was granted authorization to drop overnight by the Origin Entry acceptance office Postmaster prior to the effective date of this policy. This policy is *effective November 16, 2009*.

All requests for authorizations for Overnight Drop for Time-Sensitive Periodicals after November 16, 2009, must be approved by the District Manager Business Mail Entry who, in addition to notifying the requesting publisher, must also forward notice of publisher approval to his/her respective Area Customer Service Programs Analyst and Business Mail Acceptance HQ. All future authorizations to mail as Overnight Drop for Time-Sensitive Periodicals will require the publications to use the electronic features offered in the *PostalOne!* system. Publishers will be required to submit all postage statements and supporting documentation electronically to the *PostalOne!* system. Exceptions to this requirement can only be approved by the Manager, Business Mail Acceptance, HQ, USPS.

Publications authorized for acceptance under this procedure must meet all of the following criteria:

- Mail less than 300,000 copies annually.
- Mail less than 5,000 copies per postage statement.
- Mail at a frequency of weekly or more often.
- Are authorized to deposit mailings after mail acceptance hours or in time to meet scheduled transportation.
- Are deposited at the office where the publication account is maintained or at a designated local delivery facility as identified by the Postmaster of the origin entry office.
- Are primarily (50% or more of the mailed distribution) for In-County distribution within the local area of the Known Office of Publication (KOP).

- Funding for mailings must always be on account prior to deposit of the mailing.
- Can be used with or may be more effectively accepted under an Exceptional Dispatch procedure.
- Would not be more effectively accepted using a drop shipment procedure.

In some cases a Publication can meet all of the criteria identified above except for the total pieces in the mailing may exceed 5,000 copies. Publishers may request an exception to the mailing volume criteria in writing to the District Manager Business Mail Entry. These requests will be handled and approved on a case by case basis. There will not be any exceptions for mailings that exceed 10,000 copies per mailing.

Publications authorized as “overnight drop for time-sensitive periodicals” will not be subjected to all required acceptance processes as other mailings as defined in the DM 109. Since these Periodicals publications will often have been processed for delivery or may have to immediately be loaded onto USPS transportation for critical dispatch, they may not always be subjected to cursory or in-depth verification procedures. Though these required verification procedures may be waived in the interest of timely dispatch or delivery, acceptance offices should always attempt to perform (at least cursory level) as much verification as possible (couple of sacks/bundles) without disrupting the established service expectation of the publisher.

This policy does not provide any exceptions for the annual verifications required for all Periodicals publications. Annual verifications must be performed as required by the DM 109. The annual reviews require verification of the information reported by the publisher on the Statement of Ownership, Management, and Circulation (PS Form 3526), eligibility, advertising, frequency, and postage statement accuracy.

The origin acceptance office must ensure that it follows policy established in Management Instruction DM-707-2009-2 on acceptance procedures for marked copies and postage statement process for Overnight Drop for Time-Sensitive Periodicals (pg.15). Whenever possible publishers of Periodicals granted this authorization should be encouraged to transition to using the electronic documentation features available through the *PostalOne!* system.

The origin acceptance office must notify all processing/ delivery facilities of any Periodicals publications they have authorized for Overnight Drop for Time-Sensitive Periodicals and provide them with the publication title, the frequency and the planned drop day/time, and approximate volume. This notification will not be required for mail being dispatched to meet critical dispatch times. The origin acceptance office must ensure that there are adequate notification processes in place for the facilities where the mail is being dropped at or dispatched to for reporting problems associated to the publication (e.g., missing frequency of drops, preparation or sort problems, dropping mail other than that specifically authorized or volumes in excess of 5000 copies). When problems are reported the origin acceptance office must take immediate action and contact the publisher to remedy them. Failure on the publisher’s part to adhere to the conditions of the authorization or meet mailing requirements may result in an immediate suspension of this privilege requiring the publisher to submit their mailings during scheduled hours of operation for acceptance.

Modifications to the *PostalOne!* system and the Performance Based Verification model strengthen verification procedures for the annual verifications required on mailings authorized to mail at Periodicals prices.

Modifications to the *PostalOne!* system also provide a checkbox on the Account Management Edit Permit/Periodical page to designate the publication “Overnight Periodicals”. When this box is checked, no verification will be requested by the system and the statements for those publications will be excluded from the verification performance reports.

“Overnight Periodicals” is a reason for non-performance of verification in *PostalOne!* and also track that annual reviews are being conducted and all required verifications are performed during the review.

5.5.2 Time-Sensitive Periodicals Dropped Outside of Business Mail Acceptance Hours

This document provides mail acceptance policy and guidelines to ensure proper acceptance and verification of Periodicals not authorized as Overnight Drop Time Sensitive Periodicals.

Time-Sensitive Periodicals are defined as a Publication having a frequency of weekly or more often and are primarily published for the dissemination of news or other current event information to a list of paid subscribers or requestors. These Periodical mailings can be allowed to drop their mailings outside of normal acceptance hours because a portion of the mailing is prepared at a level where the office can provision it for delivery on the day it is dropped. There is no service standard commitment to provide this level of delivery service but where possible the Postal Service tries to deliver these Time-Sensitive publications in the interest of providing the public with relevant and current news.

5.5.2.1 Time-Sensitive Periodicals Dropped Outside of Normal Acceptance Hours (Not Authorized as Overnight Drop Periodicals)

The Postal Service recognizes the importance of timely delivery of all Time-Sensitive Periodical publications. However the Postal Service also has to adhere to its responsibilities regarding our financial controls. Arrangements can be made between the Publisher and the Origin Mail Acceptance office to accommodate for the depositing of time-sensitive Periodicals mailings (not authorized as a Time-Sensitive Overnight Drop Periodical) after business hours (late night or early morning).

Time Sensitive Periodicals that can be dropped outside of normal acceptance hours should meet the following criteria:

- Are authorized to deposit mailings after mail acceptance hours.
 - Mail at a frequency of weekly or more often.
 - Are deposited at the office where the publication account is maintained or at a designated local delivery facility as identified by the Postmaster of the origin entry office.
 - Are primarily (50% or more of the mailed distribution) for In-County distribution within the local area of the Known Office of Publication (KOP).
 - Funding for mailings must be on account prior to deposit of the mailing.
 - Must present the postage statement and supporting mailing documentation and the Marked Copy (if applicable) with the mailing or to the acceptance unit during the business hours prior to the drop day.
- Whenever possible publishers of Periodicals granted this authorization

should be encouraged to transition to using the electronic documentation features available through the *PostalOne!* system.

- The Publisher must physically segregate segments (CRRT and delivery service area 5 DGT preparation levels) of the mailing that is for the same day delivery of the office from the segments (CRRT, 5 DGT non-service area ZIP codes and 3 DGT, ADC, or MXADC preparation levels) of the mailing.

Publishers may make an overnight drop as long as the origin post office approves it and the publisher guarantees that sufficient funds are deposited in their advance deposit account prior to depositing of the mailing. Publishers must understand that regardless of the date entered in the "Date of Mailing" field on the postage statement, all classes of mail, including Periodicals, deposited after BME Critical Acceptance Time (CAT) shall receive the next business day's date recorded in the "*Mailing Date*" field in *PostalOne!* The "next day" is defined as the first possible processing day after the mail is deposited.

Failure on the publisher's part to adhere to the conditions of the local agreement or meet mailing requirements may result in an immediate suspension of this privilege requiring the publisher to submit their mailings during scheduled hours of operation for acceptance.

5-5.2.2 Verification for Dropping Time-Sensitive Periodicals (not Authorized Overnight Drop) Deposited Outside of Mail Acceptance Business Hours

This policy does not provide any exceptions for the annual verifications required for all Periodicals publications. Annual verifications must be performed as required by the DM 109. The annual reviews require verification of the information reported by the publisher on the Statement of Ownership, Management, and Circulation (PS Form 3526), eligibility, advertising, frequency, and postage statement accuracy.

Periodicals allowing deposit outside of regular Mail Acceptance business hours must be verified according to existing policies on mail verification. Employees are required to adhere to the following mail acceptance policy for Periodicals meeting the criteria outlined below.

The origin acceptance office must notify all processing delivery facilities of any Periodicals publications they have agreements for dropping Time-Sensitive Periodicals outside of acceptance business hours and provide them with the publication title, the frequency and the planned drop day/time, and approximate volume. This notification is separate and distinct from notifications provided regarding Time-Sensitive Periodicals Authorized Overnight Drop.

The origin acceptance office must make arrangement with mail processing delivery operations to retain mail for verification purposes or provision resources to conduct verification prior to mail entering processing.

The origin acceptance office make arrangements with mail processing delivery operations to provision reporting to acceptance regarding any issues (e.g., missing frequency of drops, preparation or sort problems, out of sequence, dropping mail not specifically authorized or volumes exceeding what is reported on the documentation) with the segments of a mailing that are being processed for delivery. Generally speaking this will be preparation levels of the mailing that are carrier route sorted or in 5 digit bundles for the delivery office

(usually In-County but in some areas may include some Out-Side County). When problems are reported the origin acceptance office must take immediate action and contact the publisher to remedy them.

All other preparation levels of the mailing that are not for the immediate delivery office processing can be held for verification once the acceptance office opens for business. The segments of the mailing retained will be subjected to verification as required by policy or requested by the *PostalOne!* system. If verification of the mailing identifies presort or other mailing standard errors/discrepancies then the acceptance unit must make arrangements with the delivery office to perform an in-depth verification on the segment (preparation levels of the mailing that are carrier route sorted or in 5 digit bundles for the delivery office) of the next subsequent mailing. The Publisher must be contacted regarding the results of the verifications, assessments applicable, and subsequent actions regarding their mailings.

5-6 Annual Periodicals Reviews

The BME manager or postmaster is responsible for ensuring that annual Periodicals reviews are conducted. The following reviews must be performed annually:

- Periodicals postage payment;
- Frequency;
- 10% Non-subscriber/Non-requester;
- 75% advertising threshold; and,
- PS Form 3526, Statement of Ownership, Management, and Circulation;
- Eligibility (as necessary)

5-7 Periodicals and Centralized Postage Payment in *PostalOne!*

Periodicals files are frequently processed using Mail.dat files. Mail.dat files automatically generate the following documents in *PostalOne!*:

- Qualification Report.
- Outside County Container Report.
- Postage Statements.
- Postage Statement Register.
- Edition Weight Worksheet.
- Advertising Percentage Worksheet.

Periodicals participating in Centralized Postage Payment must participate in CAPS. For those paying postage at the acceptance office a Payment Request is available to consolidate and defer payment on Mail.dat file submissions until the earliest of the following:

- The payment date requested in the Payment Request.
- 28 days after the Postage Statement Mailing Date.
- 45 days after the postage statement finalization by the BMEU to Finalized Pending Payment (FPP) status.

If there is a *PostalOne!* outage during the payment period the payment date is still enforced and no days are added to the payment period due to down time.

Once the payment date arrives the postage statement status is changed from FPP to FIN and the CAPS account is debited.

Further information about these features available to all Periodicals mailers and for CPP mailers including menu paths and screen flows is available in the document “Electronic Documentation Process: A Guide for Centralized Postage Payment (CPP) Customers” located on the “Intelligent Mail Guides & Technical Specifications” page of RIBBS at http://ribbs.usps.gov/intelligentmail_guides/documents/tech_guides/eDocProcessforPublishers.pdf.

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6 Other Types of Mailing

This section provides guidance for Nonprofit Standard Mail and political mail. In order to be eligible for mailing at Nonprofit Standard Mail prices, including Nonprofit enhanced carrier route prices, organizations must meet the standards in DMM Section 703.1.2, *Qualified Nonprofit Organizations* or DMM Section 703.1.3 *Qualified Political Committees and State or Local Voting Registration Officials*. Organizations must also receive Nonprofit Standard Mail price authorization from the Postal Service.

Note: Any mailings at First-Class mail or Standard Mail postage prices mailed for political campaign purposes by a registered political candidate, campaign committee, or committee of a political party is considered to be a political campaign mailing.

Chapter 6 is divided into the following sections:

Section	Title
6-1	Nonprofit Standard Mail Eligibility
6-2	Application/Authorization Process
6-3	Nonprofit Database Administration (Standard Mail)
6-4	Political/Election Mail

6-1 Nonprofit Standard Mail Eligibility

This section provides information and guidance to assist with understanding Nonprofit Standard Mailings. For additional information, see DMM Section 703, *Nonprofit Standard Mail and Other Unique Eligibility*.

6-1.1 Eligible Organizations

Organizations may be authorized to mail at Nonprofit Standard Mail prices if none of the organization's net income adds financial benefits to private stockholders or individuals.

Eligible organizations must be organized and operated for their stated primary purpose. Organizations that incidentally engage in ineligible activities will not meet the primary purpose test.

The following table describes each type of eligible nonprofit organization and includes political committees and state and local voting registration officials.

Table 6-1.1

Types of Eligible Nonprofit Organizations

Organization Type	Primary Purpose
1) Religious	To conduct religious worship. (e.g. churches, synagogues, temples, or mosques). To support the religious activities of nonprofit organizations whose primary purpose is to conduct religious worship. To further the teaching of particular religious faiths or tenets, including religious instruction and the dissemination of religious information.
2) Education	To instruct or train individuals. To instruct the public.
3) Scientific	To conduct research in the applied, pure, or natural sciences. To disseminate technical information dealing with the applied, pure, or natural sciences.
4) Philanthropic (Charitable)	To benefit the public.
5) Agricultural	The betterment of the conditions of those engaged in agricultural pursuits, the improvement of the grade of their products, and the development of a higher degree of efficiency in agriculture. The collection and dissemination of information or materials about agriculture.
6) Labor	The betterment of the conditions of workers.
7) Veterans	Veterans of the armed services of the United States, or an auxiliary unit or society of, or a trust or foundation for, any such post or organization.
8) Fraternal	To foster fellowship and mutual benefits among its members. Must be organized under a lodge or chapter system with a representative form of government. Must follow a ritualistic format. Must be composed of members elected to membership by vote of the members.
9) Political Committees	These political committees may be authorized to mail at the Nonprofit Standard Mail prices without regard to their Nonprofit status: <ul style="list-style-type: none"> • A National committee of a political party; • A State committee of a political party; • The Democratic Congressional Campaign Committee; • The Democratic Senatorial Campaign Committee; • The National Republican Congressional Committee; and, • The National Republican Senatorial Committee.
10) Voting Registration Officials	Voting registration officials in a state or the District of Columbia are authorized to mail certain Standard Mail materials at the Nonprofit Standard Mail prices under the National Voter Registration Act of 1993.

6-1.2 Ineligible Organizations

The following types of organizations do not qualify for Nonprofit Standard Mail prices, even if recognized by Federal government standards:

- Automobile clubs;
- Business leagues;
- Chambers of commerce;
- Citizens' and civic improvement associations;
- Individuals;
- Mutual insurance associations;
- Political organizations, except for specific organizations stated above under Qualified Organizations table (see Table 6-1.1, "Types of Eligible Nonprofit Organizations");
- Service clubs (e.g., Civitan, Kiwanis, Lions, Optimist, and Rotary);
- Social and hobby clubs;
- Associations of rural electric cooperatives;
- Trade associations; and,
- Federal government.

6-2 Application/Authorization Process

To qualify for Nonprofit Standard Mailing prices, the organization must file PS Form 3624, Application to Mail at Nonprofit Standard Mail Rates as the original application. If the organization will mail from an office other than the location where the organization filed the original application, it must also file PS Form 3623 Application for Nonprofit Standard Mailing Rates at Additional Mailing Office. The application process is described in detail in the table below.

Table 6-2
Procedures for Nonprofit Mailing Authorization Application

Application Type	Submission Procedures	Additional Documentation	Processing Procedures
Original Application	<ul style="list-style-type: none"> • Except for mailings deposited under the plant-verified drop shipment postage payment system (see DMM Section 705.15.0), Form 3624 must be filed by the organization at each original entry Post Office where it wishes to deposit mailings at the Nonprofit Standard Mail prices. • The applicant must show the qualifying organization category under which it seeks authorization on Form 3624. • No fee is charged for filing PS Form 3624. 	<p>Qualified Nonprofit Organizations:</p> <ul style="list-style-type: none"> • Evidence that the applicant meets the standards of a qualifying category in Table 6-1.1 above, and that the organization is nonprofit (e.g., a certificate of exemption from federal income tax). <p>Political Committees:</p> <ul style="list-style-type: none"> • Evidence that the applicant meets the standards of one of the qualifying categories of political committees in Table 6-1.1 above. • Evidence of nonprofit status is not required. 	<ul style="list-style-type: none"> • The PCSC manager may request additional information or evidence to support or clarify the application. • Failure to provide such information is sufficient grounds to deny an application. • The PCSC manager rules on PS Form 3624 and PS Form 3623 and notifies the applicant directly.
Additional Office	<ul style="list-style-type: none"> • Organizations authorized to mail at the Nonprofit Standard Mail prices at a Post Office may obtain authorization to mail at those prices at additional Post Offices. • An official of the organization (not its agent) must file PS Form 3623 at the requested additional mailing office. • No fee is charged for filing PS Form 3623. 	<ul style="list-style-type: none"> • PS Form 3623 must be accompanied by a letter from the organization on its official letterhead, signed by an official of the organization, stating the name of the organization and that it is requesting authorization to mail at the Nonprofit Standard Mail prices at an additional office. • If the organization name on PS Form 3623 is different from the name in USPS records, the applicant must revise the organization's original application to reflect a name change by providing evidence that the organization name was officially changed (e.g., an official amendment to the organization's Articles of Incorporation stating the former name and the new name and a letter issued by the Internal Revenue Service recognizing the name change). 	<p>To retain an additional authorization:</p> <ul style="list-style-type: none"> • An organization must make at least one mailing at that office during any two-year period. • Must maintain the original authorization on which it is based. • If the original authorization is revoked for any reason the additional office authorization is also revoked.

6-2.1 Mailing While Application Is Pending

PS Form 3624, Application to Mail at Nonprofit Standard Mail Rates, or PS Form 3623, Application for Nonprofit Standard Mailing Rates at Additional Mailing Office, must be approved before any organization can mail at the Nonprofit Standard Mail prices.

While an application is pending, postage must be paid at the applicable First-Class Mail or Priority Mail prices, or at the following Standard Mail prices: regular Enhanced Carrier Route, regular automation, or presorted regular. The Postal Service records the difference between postage paid at the regular Standard Mail prices and the postage that would have been paid at the

Nonprofit Standard Mail prices. Records are not retained if postage is paid at First-Class Mail or Priority Mail prices.

6-2.2 Ineligible Refunds

Refunds are not available in the following circumstances:

- The application was denied and no appeal was filed before the appeal deadline.
- Postage was paid at First-Class Mail or Priority Mail prices.
- Mailings were made before the effective date of the authorization.
- Mailings were made at a Post Office for which a separate application was not filed.

6-2.3 Rulings and Appeals

The PCSC manager makes determinations on PS Form 3624 and PS Form 3623 applications and must notify applicants directly. The PCSC can deny an application if the applicant fails to provide additional requested documentation. If the application is denied, the applicant may submit a written appeal to the BME manager or postmaster where the application was filed within 15 days of receipt of the decision. After reviewing the file, if the PCSC manager still believes that the organization does not qualify, the appeal is forwarded to the manager of Mailing Standards (see Section DMM 608.8.0, *USPS Contact Information*), who issues the final agency decision. The mailer may continue to mail in a pending status until a final decision is reached on an appeal of a denied application.

6-2.4 Revocation

Revocation for Cause: The PCSC manager may initiate at any time a review of any organization authorized to mail at the Nonprofit Standard Mail prices. If sufficient grounds for revocation are found, the PCSC manager will notify the organization of the proposed revocation and the reasons (see DMM Section 703.1.11.2, *Revocation for Cause*).

Revocation for cause takes effect 15 days from the organization's receipt of the notice, unless the organization files a written appeal within that time period through the PCSC, to the manager of Mailing Standards (see DMM Section 608.8.0). The manager of Mailing Standards may ask the organization for more information or evidence to determine the organization's eligibility. Failure to provide such information is sufficient grounds for denial of the appeal. The manager of Mailing Standards manager issues a written appeal decision directly to the organization.

Revocation for Nonuse: The PCSC must revoke a Nonprofit Standard Mail price authorization if a mailer does not mail at Nonprofit Standard Mail prices during a 24 month period. The will notify the organization of the revocation for nonuse (see DMM Section 703.1.11.4, *Revocation for Nonuse*).

6-3 Nonprofit Database Administration (Standard Mail)

Authorized nonprofit mailers are required to comply with specific standards when changing the name or address of the organization. This section provides an overview of the process involved in changing the name and/or address of a nonprofit organization. This section further provides details for the process of revoking organizations' Nonprofit Standard Mail authorization.

6-3.1 Organization Name or Address Change

An authorized nonprofit organization must notify the mailing office in writing, addressed to the BME manager or postmaster, when the organization moves or changes its primary mailing address (as noted on its application) or changes its name. When an authorized nonprofit organization changes its name, it also must provide appropriate documentation — for example, an amendment to the articles of incorporation or a letter from the Internal Revenue Service acknowledging the name change.

When a BME manager or postmaster receives information from an authorized nonprofit organization that it has changed its official name and/or mailing address, the BME manager or postmaster must immediately notify the PCSC of the changes by using PS Form 6015, *Nonprofit Database Change Request* — located at www.usps.com/forms/pdf/ps6015.pdf.

In the case of a name change, the BME manager or postmaster must also include a copy of the appropriate documentation, as noted above. After completing PS Form 6015, the BME manager or postmaster must sign and date the space provided, make a photocopy for office records, fold it so that the address and barcode are visible through a window envelope, and then mail it to the PCSC.

6-3.2 Revocation of Authorization

BME managers and postmasters must complete PS Form 6015 for each authorized nonprofit organization that has not mailed at an authorized mailing office within the previous two years. PS 6015 must be completed quarterly when revocations are required. BME managers and postmasters must check the “Revocation” box on the form and enter the last date of mailing before sending the completed PS Form 6015 to the PCSC.

At least once a year, BME managers and postmasters must also match local databases of authorized nonprofit organizations against the PCSC database. BME managers and postmasters can obtain PCSC lists with the assistance of district business mail entry managers. BME managers and postmasters must resolve any discrepancies by contacting the authorized nonprofit organizations, note changes as necessary, and notify the PCSC by sending PS Form 6015 to the address noted on the form.

6-4 Political/Election Mail

Any mailings at First-Class or Standard Mail prices mailed for political campaign purposes by a registered political candidate, campaign committee, or committee of a political party are considered to be a political campaign mailing. These types of mailings may use the address of a candidate’s campaign committee or the committee of a political party as the return address.

Note: Political campaign mailings differ from official mailings by Members of Congress who mail under congressional franking privileges.

6-4.1 Pre-Mailing Assistance

District marketing managers and customer service liaisons are responsible for ensuring proper pre-mailing assistance to all committees of political parties, candidates for political office, and/or the candidates’ campaign committees within their jurisdictions, and must follow the requirements in POM 492.36 *Pre-mailing Contact Requirements*.

6-4.2 Recording Political/Election Mailings

BME managers and postmasters must ensure that BMEU supervisors retain — and postmasters are aware of — documented records of all political campaign mailings that are deposited or received at their offices, with particular attention to those deposited or received too late for timely delivery. BMEU or postmasters must ensure mailers attempting to deposit political mailings, which may be too late for delivery by the election date, of the potential for late delivery. The following information must be documented on the Political Mail Log (see Exhibit 6-1, “Political Mail Log”):

- The name of the mailer;
- A sample, photocopy, or description of the mailing;
- The date and time the mailing was accepted or received for dispatch and delivery;
- The Election Day deadline and the date of requested delivery;
- As available, the approximate number of pieces not delivered before the Election Day deadline and/or the date of requested delivery, and reason(s) why delivery was not timely; and,
- The approximate volume of mail not delivered in time, according to instructions from the mailer.

When a mailing is submitted, in a timeframe that is in proximity to the election date and may be too late for delivery by the election date, BMEU supervisors or postmasters must ensure that mailers are informed about the potential for late delivery. Any notification for late delivery must be documented. For *PostalOne!* sites, a notation must be made in the postage statement comments section for each potentially late mailing. For hardcopy postage statements, a notation reading "Mailing submitted in proximity to the election date -- may be too late for delivery by the election date" must be made on the postage statement. Acceptance sites may choose to create a handstamp for the potential late delivery notation. Mailers must place their initials next to the potential late delivery notation. Following notation in *PostalOne!* or on a hardcopy postage statement, acceptance sites should photocopy the mailpiece and attach the copy to a hardcopy of PS Form 3607 and file it with other potentially late mailing documentation for the election cycle. Documentation retained for mailings that may be too late for delivery by the election date must be retained for 90 days (see Section 3-8.4, Document Retention Requirements).

Note: If mail is received after the Election Day deadline, the political mail coordinator must contact the campaign committee for disposition. The political mail coordinator must obtain the name and telephone number of the campaign committee staff member contacted, and the date and time of contact (see POM 492.53, *Processing and Delivery Records*). Political mail coordinators may contact the acceptance site where the mail was inducted to utilize potentially late mailing documentation for resolving issues.

6-4.2.1 Political Campaign Mail Indicator

The *PostalOne!* screens for the series of postage statements beginning with the numbers PS Form 3600 and PS Form 3602 support political campaign mailing requirements. This applies to single postage statement only, not combined mailings.

When verifying mail, the acceptance clerk is required to designate a Political Campaign mailing using radio buttons. A selection of Yes or No is required to continue.

6-4.2.2 Political Mail Log

For audit purposes a Political Mail log is available under the BMEU Reports menu. The contents of the Political Mail Log is driven by Finance Number, and the begin and end dates.

6-4.3 Requests for Refunds of Postage

Mailers of political mail may request refunds according to the standards in DMM Section 604.9.2, *Postage and Fee Refunds*. Political mailpieces delivered after the election date are not eligible for refunds of postage. Political mailings expedited with Express Mail® Open and Distribute service may be eligible for refund if the drop shipment was delayed.

6-4.4 Use of PS Tag 57

PS Tag 57 *Political Campaign Mailing* (see Exhibit 6-2, “Political Campaign Mailing”), identifies campaign mailings throughout processing and distribution (see POM 492, *Political Campaign Mail*).

Registered political candidates, registered campaign committees, or political party committees may use PS Tag 57 on First-Class Mail and Standard Mail containers. PS Tag 57 may not be used by any other groups, even if those organizations promote or endorse political candidates, referendums, or internal agendas.

If mail is trayed and strapped, mailers must affix PS Tag 57 to the strap near the tray label with a wire twist tie. If local postal instructions permit trays to be tendered without strapping, PS Tag 57 must be affixed to the tray with a rubber band that is double looped through the handhold of the tray near the tray label. For flat-size mailings in sacks, PS Tag 57 must be attached to the strap or label holder. Care must be taken to remove the tags from the trays after the campaign mail has been processed.

Note: For more information on political campaign mail or the use of PS Tag 57, visit the website at

http://blue.usps.gov/marketing/_rtf/Tag57Political.rtf.

7 Mail Classifications Decisions, Appeals, Exceptions

This chapter describes how mail classification decisions, appeals, and exceptions are handled. BME managers, postmasters, BMEU supervisors and acceptance employees have specific responsibilities for local rulings related to various mail classification issues. For a detailed description of the current classification decisions, appeals, and exceptions policy refer to DMM 604, *Postage Payment Methods*, and DMM 607, *Mailer Compliance and Appeals of Classification Decisions*.

Chapter 7 is divided into the following sections:

Section	Title
7-1	Mail Classification Decisions (Rulings)
7-2	Appeals
7-3	Revenue Deficiency Appeals
7-4	Requests for Exception

7-1 Mail Classification Decisions (Rulings)

Mail classification decisions are official USPS interpretations of DMM regulations. Postmasters and BME managers are responsible for local rulings pertaining to issues such as revenue deficiencies (DMM Section 604.10, Revenue Deficiency), refunds (DMM Section 604.9, Refunds and Exchanges), mailability (DMM Section 601.8, *Nonmailable and Restricted Articles and Substances Generally*), and other standards classification decisions based on the DMM. BMEU employees' roles are defined as follows:

- *Postmaster or BME Manager*: Advise mailers of classification decisions in writing whenever rulings or classification decisions are requested regarding class or price eligibility. All written correspondence must be reviewed and signed by the postmaster/BME manager, or his or her designee.
- *Acceptance Employee*: Draft correspondence for the postmaster/BME manager's review and signature in response to requests for classification decisions or rulings. Acceptance employees must include the following information in the written correspondence:
 - a) The classification decision or ruling and explanation (addressing the mailer's claim to price eligibility).
 - b) A statement that the classification decision or ruling pertains only to the mail piece or mailing reviewed.

- c) A description of the specific mailpiece or mailing for which the classification decision or ruling applies (acceptance employees must request a copy of the mailpiece for their files).
- d) Applicable appeal procedures as prescribed by postal standards.

7-2 Appeals

This section describes the appeals process for mailers who disagree with an initial USPS decision or ruling on mailing standards. For more detailed information see DMM 607, *Mailer Compliance and Appeals of Classification Decisions*.

7-2.1 Local Decision

A mailer who disagrees with a classification decision by a local Post Office, whether on a pending or proposed mailing, may send a written appeal to the postmaster or BME manager within 30 days. The appeal must be forwarded to the PCSC for a final agency decision (see DMM 607.2.1, *Local Decision*).

7-2.2 Expedited Oral Decision

A mailer who receives an adverse ruling from a Post Office, whether on a pending or proposed mailing, may ask the PCSC manager to provide an expedited oral decision on appeal. The PCSC manager determines whether the appeal can be decided on an expedited basis and, if so, advises the mailer of the determination and confirms it in writing (see DMM 607.2.2, *Expedited Oral Decision*).

7-2.3 Decisions on National Rulings

The manager, National Customer Rulings makes mail preparation, mailpiece design, and price eligibility decisions for specifically identified mailers in strategic industries as appropriate. These decisions may be appealed within 15 days to the manager, PCSC, who issues the final agency decision (see DMM Section 607.2.4, *Decisions on National Rulings*).

7-2.4 PCSC Decision

Any mail classification decision made initially by the PCSC manager may be appealed within 15 days to the manager, Mailing Standards, who has sole authority to render a decision on such appeals.

7-2.5 Corresponding Standards

Rulings and appeals concerning revenue deficiencies (on past mailings), refunds, or applications for various mailing privileges, prices, or authorizations, are subject to corresponding standards.

7-3 Revenue Deficiency Appeals

Revenue deficiency is a shortage or underpayment of postage or mailing fees. The postmaster or BME manager must assess revenue deficiencies through written notification to the mailer, citing the circumstance(s) and the amount of the deficiency.

7-3.1 Nonprofit Revenue Deficiency Appeal

A revenue deficiency may be assessed in the amount of the unpaid postage against any person or organization that mailed, or caused to be mailed, ineligible matter at Nonprofit Standard Mail prices. Nonprofit mailers have two levels of appeal. Mailers may appeal revenue deficiency assessments originally issued by a postmaster or BME manager to the PCSC manager. If the PCSC manager issues an adverse decision, mailers may appeal the decision to the manager of Mailing Standards.

Exception: If an initial revenue deficiency assessment was made by the PCSC manager, mailers may appeal to the manager of Mailing Standards. If the manager of Mailing Standards issues an adverse decision, mailers may appeal the decision to the Vice President of Pricing.

All appeals must be submitted in writing within 30 days of the previous USPS decision. Any decision that is not appealed in the allowed time frame will stand as originally determined and mailers cannot initiate a second appeal.

7-4 Requests for Exception

Exceptions to postal standards may be granted in certain circumstances. A common example is an exception granted for an improper permit imprint on mailpieces within a mailing. Postmasters or BME managers at postal facilities may not suspend or grant any waiver or exception to postal standards unless authorized by the DMM. Any mailer's request for an exception to DMM standards must be referred to the PCSC. To the extent that postage prices, fees for mail services, and basic mail classification and eligibility (e.g., permission to mail at Nonprofit Standard Mail prices) are based on Federal statute or the Mail Classification Schedule, the PCSC is not authorized to grant such a waiver or exception request.

If an exception request is approved, the BMEU supervisor or postmaster of the acceptance site where the exception applies must ensure that a notation is made in the mailer's customer record and the comments section of all postage statements corresponding to the exception; to track mail quality performance.

7-4.1 Request Format

Mailers must submit exception requests in writing, and must include all mailing information, such as number of pieces, class, postage price, mailpiece characteristics, entry postal facility and other pertinent information. The exception request must also contain the specific standard for which the mailer is requesting an exception. The Post Office must use the Exception Request form to forward the mailer's request for an exception to the PCSC (see Exhibit 7-1, "PCSC Exception Request Form"). The Exception Request may only be used by Post Offices and NOT by mailers. Exception decisions must have no adverse impact on the Postal Service. The BMEU supervisor or postmaster must advise the mailer when it is apparent that an exception is unlikely to be granted (e.g., a price waiver) before sending an exception request to the PCSC.

7-4.2 Authorization

To the extent that postage prices, fees for mail services, and basic mail classification and eligibility (e.g., permission to mail at Nonprofit Standard Mail prices) are based on federal statute or the Mail Classification Schedule, the PCSC is not authorized to grant such a waiver or exception request.

Business Mail Acceptance

The PCSC reviews waiver or exception requests and takes into consideration prior waivers or exceptions granted to the mailer. In consideration of the exception or waiver request, the PCSC assesses operational and financial impacts to the Postal Service before issuing a written decision to the mailer. If the waiver or exception request is approved, the PCSC specifies the conditions of the waiver or exception. Some exception requests may be locally authorized. The PCSC will notify local offices of which exception requests may be locally authorized.

8 *PostalOne!*

PostalOne! is the accounting system for USPS business mail acceptance. *PostalOne!* can be accessed through the USPS intranet at <http://blue.usps.gov/postalone/>.

This chapter describes system features, access request procedures, non-permit and new locations accounts setup; and contingency planning.

Chapter 8 is divided into the following sections:

Section	Title
8-1	<i>PostalOne!</i> System Access
8-2	<i>PostalOne!</i> Security Architecture
8-3	Internal Users Requesting <i>PostalOne!</i> Access
8-4	External User Access to <i>PostalOne!</i>
8-5	<i>PostalOne!</i> Site Expansion Procedures

8-1 *PostalOne!* System Access

PostalOne! is a web-based system that facilitates business mail processing by allowing the electronic submission of mailing information by mailers. It also supports the initiation of the acceptance process for both hardcopy and electronic postage statement mailings.

8-2 *PostalOne!* Security Architecture

This section provides an overview of *PostalOne!* user groups and roles. The *PostalOne!* system supports access for both internal (USPS) and external (mailers) users.

8-2.1 *PostalOne!* Modules

PostalOne! supports multiple roles for both internal and external user groups.

8-3 Internal Users Requesting *PostalOne!* Access

Internal users must use eAccess to request access to *PostalOne!*. eAccess automatically routes *PostalOne!* access requests to a pre-designated approving Manager and Functional System Coordinator (FSC) (if required). The approvers (managers and FSCs) must review the request and determine if the proper access has applied for and then approve or deny the user's request. If approved, a new account will be created in the *PostalOne!* system. Managers and FSCs are responsible for monitoring their eAccess queues to ensure that requests are approved in a timely fashion. For more information, contact the USPS Information Technology Help Desk at 1-800-877-7435.

8-3.1 Requesting a *PostalOne!* Account via eAccess

The table below summarizes the roles of USPS employees for access request management.

Table 8-3.1

Responsibilities for *PostalOne!* User Account Setup

Individual	Activity
Requestor	Complete access request within eAccess and forward to approving BME manager, postmaster, or BMEU supervisor.
Approving BME Manager, Postmaster, or BMEU Supervisor	Must review access request and verify that user information is completed accurately, and the <i>PostalOne!</i> access role(s) fits the user's job description/title. May recommend a different access role(s) than was requested by user. Must verify that the proper finance number is added to the user's profile (if applicable) to ensure they receive access to the correct <i>PostalOne!</i> site
Functional System Coordinator	Must review access request and verify the <i>PostalOne!</i> access role(s) fits the user's job description/title. Should approve access request based on the most narrow privilege level needed by the user to perform their job functions.

8-3.2 Modifying *PostalOne!* Access Through eAccess

Users or the approving manager may modify a user's existing *PostalOne!* account by following the user access request process in eAccess.

Access modification requests must be initiated when a user's role changes or they are transferred to another BMEU. Access must be removed when a user no longer requires access to *PostalOne!* or an employee is terminated.

8-4 External User Access to *PostalOne!*

The *PostalOne!* system is integrated with the Business Customer Gateway. Mailers that want to submit electronic mailing information or view their report information online need to obtain access to *PostalOne!* services through the Gateway at gateway.usps.com. The United States Postal Service (USPS) official Web-site, <http://www.usps.com> also provides a direct link to the Business Customer Gateway. USPS personnel cannot create accounts for customers. The process for requesting and establishing an external *PostalOne!* account is described on under Intelligent Mail — Business Customer Gateway on RIBBS at <http://ribbs.usps.gov/index.cfm?page=intellmailgateway>.

8-5 *PostalOne!* Site Expansion Procedures

It is preferred that all USPS sites that accept business mail use the *PostalOne!* system.

8-5.1 *PostalOne!* Site Expansion Procedures

PostalOne! supports both Business Mail (permit) and Reply Mail/Postage Due. *PostalOne!* interfaces with the POS retail system to provide a single point of entry for deposits and fee payments. The *PostalOne!* system can also be utilized by sites without POS retail systems but dual entry of deposits and fees is required. There are four site activation options:

- Business Mail Entry at sites where POS terminals process BME deposit transactions.
- Business Reply Mail (Reply Mail/Postage Due) at sites where POS terminals process deposit transactions.
- Business Mail Entry at sites without POS terminals.
- Business Reply Mail (Reply Mail/Postage Due) without POS terminals.

Sites that plan to process both Business Mail and Reply Mail should use both BME & BRM site activation instructions with a coordinated date. (Please note that sites that process both Business Mail and Reply Mail will need to use separate cost center codes for each).

For more information on site expansion procedures, please reference the *PostalOne!* Site Expansion Plan at <http://bme.blueshare.usps.gov/sites/bma/default.aspx>.

8-5.2 Computer Equipment Request Process

Acceptance sites without required equipment for a *PostalOne!* conversion must submit a request for the necessary equipment. Minimum requirements are available in Handbook AS-802, *Postal Computer Operating Standards*. A summary of the process for obtaining equipment is provided below.

Table 8-5.2

Computer Equipment Request Procedures

Person Responsible	Action Items
Post Office Operations Manager (POOM)	<p>Send an email request to the district IT manager for new hardware. The e-mail must include a description of the business need for new hardware and the following information:</p> <ul style="list-style-type: none"> • Location address; • Point of contact; • Point of contact phone number and email address; • Number of workstations required; • Number of printers required (if needed); • Software requests for the workstation; and, • Finance number.
District IT Manager	<ul style="list-style-type: none"> • Review the request, obtain funding approval from the District marketing manager, and finance number where the expense for the hardware and installation will be charged. • Submit the request to Distributed Computer Environment (DCE), Advanced Computer Environment Group (ACE). • Assign the Request for Action (RFA) to a field IT representative for installation. When workstations are installed, the field IT representative updates the status of the RFA noting the installation date.

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9 Special Postage Payment Systems

Special postage payment systems (SPPS) provide alternative methods for mailers to calculate and pay postage. SPPS mailers are required to receive USPS authorization. Verification procedures for SPPS vary from procedures described in Chapter 3, *Verification*, and are described in detail in Publications 401, 406, and 407, DMM Sections 705 and 609, and the SOPs guiding the SPPS agreements.

All SPPS authorization agreements must be reviewed. Authorization agreements must be maintained at BMEUs and DMUs, as applicable.

This chapter includes the following sections:

Section	Title
9-1	Manifest Mailing System (MMS)
9-2	Optional Procedure (OP) System
9-3	Combined Mailing (COM) and/or Value Added Refund (CVAR/VAR) Systems
9-4	Alternate Mailing System (AMS)
9-5	Centralized Postage Payment (CPP)
9-6	Weight Averaging Business Reply Mail (WA-BRM)
9-7	Postage Due Weight Averaging (PDWA) Program
9-8	Express Mail Manifesting

9-1 Manifest Mailing System (MMS)

The Manifest Mailing System (MMS) is an automated system that allows mailers to document postage and fees for mailing pieces paid via permit imprint indicia. To participate in the MMS program, mailers must develop or use a computerized system that generates supporting documentation, which meets USPS standards for completeness, format, accuracy, timeliness, and proper postage payment. Publication 401, *Guide to the Manifest Mailing System* (available at http://ribbs.usps.gov/mac/documents/tech_guides/PUBS/PUB_401.PDF), and DMM Section 705.2, *Manifest Mailing System*, provide further guidance on applying for MMS authorization; acceptance of MMS mailings; and, administration of MMS agreements.

Acceptance and verification procedures as well as MMS system administrative responsibilities are outlined in Publication 401; additional acceptance processes may outlined in site specific Standard Operating Procedures (SOP).

9-2 Optional Procedure (OP) System

The Optional Procedure (OP) mailing system allows the Postal Service to verify and accept identical weight and/or non-identical weight permit imprint

mail by means other than the standard verification procedure of weighing mail in bulk. The OP mailing system can be used for First-Class Mail items, Standard Mail, Package Services, and in some instances, International Mail. See Publication 407, *Optional Procedure (OP) Mailing System* (available at http://ribbs.usps.gov/op_mailingsystem/documents/tech_guides/pub_407_Jan_2009.pdf), and DMM Section 705.3, *Optional Procedure Mailing System*, for information on OP application, authorization, mail acceptance and administration of OP agreements.

Acceptance and verification procedures as well as OP system administrative responsibilities are outlined in Publication 407; additional acceptance processes may outlined in site specific Standard Operating Procedures (SOP).

9-3 Combined Mailing (COM) and/or Value Added Refund (CVAR/VAR) Systems

Combined Mailing systems allow mailers to prepare First-Class Mail or Standard Mail letter-size price mailings that meet any of the following criteria:

- Pieces having different prices of postage affixed;
- Contain multiple ounces of permit imprint First-Class Mail; and.
- Consist of nonidentical-weight permit imprint mail.

The mailer is able to prepare combined mailings, which include any of the three authorized methods of postage payment (permit imprint, metered, or precancelled stamp). All standards apply to each method of payment apply in a combined mailing, unless specifically stated otherwise.

Combined mailing systems are applicable to mailers who merge First-Class Mail or Standard Mail from different clients into a single mailing, or mailing segment, by sorting mailpieces on a Multi-Line Optical Character Reader (MLOCR). In addition to merging mailpieces into a single presort stream, mailers must maintain USPS approved quality control standards to verify the integrity of the mailings.

VAR allows a mailer's metered mail to show postage at a higher price than that claimed on the postage statement because the mailer has presorted to a finer level. In these cases, mailers receive a refund for the difference in postage. Mailers seeking authorization to submit VAR requests and mailers submitting VAR requests must follow the standards in DMM Section 604.9.4, *Value Added Refunds*.

DMM Section 705.5, *First-Class Mail or Standard Mail Mailings with Different Postage Payment Methods*, provides detailed information on the standards for application, preparation and administration of combined postage agreements.

Acceptance and verification procedures as well as COM/VAR system administrative responsibilities are outlined in the Standard Operating Procedures (SOP) which may be site specific.

9-4 Alternate Mailing System (AMS)

An Alternate Mailing System (AMS) provides additional methods of accepting permit imprint mail (not established in Section 9-1, *Manifest Mailing System*, or Section 9-2, *Optional Procedure*) that ensure proper postage payment and mail preparation without weight verification.

DMM 705.4, *Alternate Mailing System*, provides detailed information concerning the standards for application, preparation and administration of AMS agreements.

Acceptance and verification procedures as well as AMS system administrative responsibilities are outlined in the Standard Operating Procedures (SOP) which may be site specific.

9-5 Centralized Postage Payment (CPP)

The Centralized Postage Payment (CPP) system allows the publisher of authorized Periodicals who meet certain requirements, to pay postage at the PCSC, located in New York, NY.

Publishers must meet the following requirements:

- Have an established DMU site located at each of the mailer's plants.
- Have multiple plant sites or multiple Periodicals publications at multiple plant sites.
- Average a minimum of five postage statements per issue.

Note: Publishers who do not meet the above requirements may request consideration from the PCSC. See Publication 406, *Guide to the Centralized Postage Payment (CPP) System for Periodicals Mail* for detailed instructions on the application process, acceptance procedures and administration of CPP agreements.

The Postal Service added the consolidated payment feature to *PostalOne!* to replace the Centralized Postage Payment (CPP) program, which ended on March 31, 2010. The CPP program reflects a hard copy postage payment option. The publisher does not pay any postage at the acceptance units but instead collects data from these units. The publisher is responsible for maintaining documentation applicable to the mailings and presenting the hard copy postage statements for the entire issue to the Pricing and Classification Service Center (PCSC) CPP unit in New York where the postage for the entire issue is paid at the 28-day CPP processing window and entered into the *PostalOne!* system. Additional information regarding this new process is at http://ribbs.usps.gov/intelligentmail_guides/documents/tech_guides/eDocProcessforPublishers.pdf.

9-5.1 Application for Authorization

The publisher must submit a completed PS Form 3542, *Application to Mail Under the Periodicals Centralized Postage Payment (CPP) System*, to the PCSC for approval. PS Form 3542 is available online, and in Appendix A of Publication 406.

When the application is approved, the PCSC provides the publisher with a letter of authorization and a CPP system service agreement, which the publisher must sign prior to implementation. This authorization specifies the mailing date of the first issue under the new CPP arrangement. Upon receiving authorization, the publisher is responsible for notifying all mailing locations involved in the program of the effective date of authorization. The publisher must advise these agents of their responsibilities for participation in the CPP program.

9-6 Weight Averaging Business Reply Mail (WA-BRM)

Weight Averaging Business Reply Mail (WA-BRM) provides an alternative to individually rating each mailpiece received by a postal facility, by using the count, price, and bill of a large volume of nonletter-size BRM for a single mailer to determine postage and fees due. Weight averaging WA-BRM is a web-based application based on statistical principles that determine the amount of postage and fees due with great accuracy using sampling methodology. This allows participating mailers' mail to be weighed in bulk to determine postage charges. The WA-BRM program is the standard and replaces all existing weight averaging methods.

Mailers must pay a maintenance fee to participate, and receive a below retail price. To qualify, mail must consist of nonletter-size pieces not exceeding five pounds. DMM Section 507.9.12 describes the bulk weight averaged nonletter-size BRM program in detail, and procedures are also available on the WA-BRM website at <http://wabrm/WabrmWeb/>.

9-6.1 Application for Authorization

A permit holder using bulk weight averaged BRM for nonletter-size pieces must submit a written request to the postmaster of the office where the BRM permit is held. The postmaster forwards this information to the manager of Customer Service Support at USPS Headquarters.

The manager of Customer Service Support reviews the request. If the request is approved, a letter of authorization is sent to the permit holder from the Post Office where the BRM permit is held.

9-7 Postage Due Weight Averaging (PDWA) Program

The Postage Due Weight Averaging (PDWA) program is a comprehensive statistically valid program to calculate postage due returns in bulk, rather than weighing each individual piece.

PDWA has been integrated into a Microsoft Excel workbook that defines specific guidelines for minimum-piece selection and sampling frequency. This yields a postage-due cost factor based on the makeup of the mail being returned.

Acceptance and verification procedures as well as PDWA system administrative responsibilities are outlined in the Standard Operating Procedures (SOP) included in the Microsoft Excel workbook.

For detailed information, please see DMM Section 705.19, *Postage Due Weight Averaging Program*,

9-8 Express Mail Manifesting

Express Mail Manifesting System (EMMS) allow mailers to send the Postal Service an electronic file documenting postage and special service fees for all pieces in an Express Mail mailing. See Publication 97, *Express Mail Manifesting Technical Guide*, and Publication 97-A, *Express Mail Manifesting System Implementation and Administration Guide*.

Exhibits

Chapter 1 — Managing the Business Mail Entry Unit

Exhibit 1-1 (page 1 of 4)

Checklist of General Duties for BME Manager

Frequency	<p>Within a district, the BME manager is responsible for revenue, management (i.e., revenue generation, protection, and reporting), operational, and customer service activities. In the table below, are the responsibilities for BME managers.</p> <p>In addition to these responsibilities, BME managers must maintain regular lines of communication with BMEU supervisors and postmasters (i.e., personal contact, telephone conferences/Meeting Place, regularly scheduled meetings, emails). The BME manager must attend all scheduled joint plant operations meetings to maintain communication and visibility with partnering functional areas within the district.</p> <p><i>Note:</i> BME managers may choose to delegate certain activities to an authorized designee. However, BME managers may not delegate their responsibility for ensuring the authorized designee performs the activity.</p>
Revenue Generation and Business Development Responsibilities	
Ongoing	<ol style="list-style-type: none"> 1. Develop and update a specifically tailored strategic mission statement to reflect the specific client, geographical, and business needs of each district (i.e., the mission statement of a rural district may be significantly different from the mission statement of an urban district). Mission statements must also take into account USPS strategic and business development goals reflected in the USPS Strategic Transformation Plan (STP). Details are available online at www.usps.com/strategicplanning/2006-2010.htm 2. Communicate mission statement and related objectives and goals to BME employees, specifically concerning revenue protection and customer service (e.g., timely and accurate verification, unpaid mailing prevention, employee training and development) 3. Ensure all BME employees at acceptance sites have taken required training courses and are familiar with programs and initiatives under the Customer Outreach Program 4. Understand the business development initiatives and vision of the USPS Marketing Department in relationship to the mailer, and translate that into action that creates value for the mailer and business growth for USPS (see https://blue.usps.gov/marketing) 5. Create opportunities for BMEU supervisors, postmasters, and acceptance employees to understand the purpose and function of the partnership with Retail, Business Service Network (BSN), Consumer Affairs, and Business Development Team through informal or formal informational sessions
Weekly	<ol style="list-style-type: none"> 6. Communicate with the district managers of Retail, Business Service Network (BSN), Consumer Affairs, and Business Development Team, and also the manager of USPS Sales, to actively seek publicity, visibility, and avenues of potential new revenue
Quarterly	<ol style="list-style-type: none"> 7. Meet with BMEU supervisors to ensure acceptance employees understand the mission statement and are performing consistently with mission statement goals. Identify areas for improvement — based on BMEU supervisor feedback of EPA reviews — and coordinate with BMEU supervisors to develop and implement an improvement plan to address unit weaknesses
Business Management Responsibilities	
Ongoing	<ol style="list-style-type: none"> 1. Provide clear guidance to BMEU supervisors and postmasters on conflict resolution (mailer complaints or internal disputes), set internal and mailer communication expectations (communicating with co-workers and mailers), and establish time management expectations (prioritizing tasks and responsibilities) 2. Develop, communicate, and implement business strategies — based on mission statement — with BMEU supervisors, postmasters, and acceptance employees to address issues identified in EPA reviews and performance assessments
Quarterly	<ol style="list-style-type: none"> 3. Host and attend meetings with BMEU supervisor, acceptance employees, and other USPS functional area employees — as necessary — to discuss outstanding operational, management, and customer outreach issues, for example, staffing levels, BME Proficiency Index scores, and financial compliance 4. Host development meetings with district BME staff to ensure that training and business goals are being met. Coordinate with BMEU supervisors to ensure that their feedback from EPA reviews is reflected in development discussions. Ensure BMEU supervisors provide acceptance employees with timely and direct feedback that contributes to ongoing skills development and opportunities for career growth
Annually	<ol style="list-style-type: none"> 5. Review Quarter 4 Year To Date BME Proficiency Index score and adjust BME Proficiency strategy, as necessary, for next Fiscal Year

Exhibit 1-1 (page 2 of 4)

Checklist of General Duties for BME Manager

Revenue Protection Responsibilities	
As Scheduled	1. For acceptance sites in the district that accept Periodicals mailings, ensure Periodicals and SPPS eligibility review are performed (Chapter 5, <i>Periodicals</i>)
Ongoing	<p>2. Ensure BMEU supervisors understand and maintain — and postmasters stay informed of — compliance with procedures related to the verification of sufficient funds mailers' accounts, check acceptance, "Bad Check List" policy, and timely entry of postage statements (Section 3-3.2, <i>Review the Mailer's Account</i>)</p> <p>3. BME managers, postmasters, BMEU supervisors must review USPS Office of the Inspector General (OIG) and Financial Control and Support (FCS) audit reports. BME managers ensure that BMEU supervisors are — and postmasters receive guidance for — correcting identified deficiencies, immediately addressing systemic issues, and maintaining ongoing compliance.</p> <p>4. Review all revenue assurance activities and ensure that supervisors and acceptance employees are following correct procedures for initiating refunds, reversals, overrides and adjustments. Ensure that supervisors perform unit audits to ensure compliance with policy</p> <p>5. Ensure that all units comply with SOX requirements, and that BMEU supervisors and acceptance employees understand SOX goals and performance measurements</p>
Weekly	<p>6. Review the "Certification Questionnaire Report" in <i>PostalOne!</i> on a weekly basis (this report identifies all units that have not completed their required certifications during the selected time period and displays any deficiencies identified in the questionnaires); ensure that all units are completing the certification questionnaire according to their required certification frequencies, and ensure any identified deficiencies are reviewed and addressed in a timely manner</p> <p>7. For <i>PostalOne!</i> sites, review the PBV Microstrategy — Reasons for Non-Performance Report to determine if non-performance of verification procedures was appropriate and ensure corrective action is taken, as necessary (Section 3-5, <i>PostalOne! PBV In-Depth Verification Procedures</i>)</p>
Monthly	<p>8. Review the Bypass Mail Log to identify trends and repeat offenders, determine if procedures were followed, (e.g., CDP, verification, Plant-Verified Drop Shipment, dock loading.), implement corrective actions when necessary, and contact mailers in writing, when applicable (Section 2-7, <i>Unpaid Mail</i>)</p> <p>9. Ensure BMEU supervisors review — and postmasters stay informed of — activity on the "Negative Balance Report" in <i>PostalOne!</i> on a daily basis (Section 1-4, <i>Business Mail Entry Management Oversight</i>)</p> <p>10. Ensure BMEU supervisors are — and postmasters stay informed of — monitoring, managing, or closing permit imprint accounts with no activity for 2 years, as required (Section 1-4, <i>Business Mail Entry Management Oversight</i>)</p> <p>11. Ensure BMEU supervisors are — and postmasters stay informed of — monitoring, managing, or initiating the closing of Periodicals accounts with no activity for one year, as required (Section 1-4, <i>Business Mail Entry Management Oversight</i>)</p> <p>12. Ensure BMEU supervisors maintain — and postmasters stay informed of — monthly and yearly revenue reporting and reconciling customer advance deposit trust accounts with customer trust balances in the Accounting Data Mart (ADM) and Master Trust accounts on a monthly basis (Section 1-4, <i>Business Mail Entry Management Oversight</i>)</p> <p>13. Review OIG findings, timely postage statement entry procedures, Periodicals verification, and staffing coverage with postmasters</p>
Bi-annually	<p>14. Ensure BMEU supervisors understand and maintain compliance with — and postmasters stay informed of — unpaid mailing standard operating procedures. Also ensure they are comparing written procedures to those being performed in sites accepting business mail. If there are significant discrepancies between written and performed procedures, corrective actions must be implemented. The BME manager must send a report to the District Manager of Marketing, which includes corrective actions and plans for follow-up review(s) (Section 2-7, <i>Unpaid Mail</i>)</p> <p>15. Coordinate with BMEU supervisors to ensure the most update standard operating procedures for billing, recording, and reporting unpaid mail are implemented and maintained (Section 2-7, <i>Unpaid Mail</i>)</p>

Checklist of General Duties for BME Manager

Operational Responsibilities	
As Scheduled	1. Ensure that Retail/AO units are accepting business mailings receive adequate operational support and guidance on business mail acceptance and verification procedures. Maintain a regular visitation schedule to all critical business mail facilities — including DMUs, stations, and branches — to be familiar with the verification, acceptance, and clearance processes
Ongoing	2. Ensure acceptance employees receive, understand, and implement all required information concerning mail classification, bulk mail acceptance, and revenue protection. Acceptance employees must be informed of changes to USPS policy and mailing standards, proactively communicate with mailers, consistently and accurately provide mailing standards information, and professionally provide quality customer service (Section 1-2, Customer Outreach Program) 3. Ensure all business mail acceptance sites are equipped with the appropriate scales and that all scales are maintained regularly and calibrated annually (Section 2-1.3, Scales) 4. Ensure that units are maximizing operating efficiency in areas including but not limited to: work flow (maximizing efficiency in business operations), staffing, compliment optimization, and mailflow (maximizing efficiency in staging for acceptance and verification) 5. Ensure BMEU supervisors understand and follow contractual procedures for approving, recording, and managing acceptance employee sick leave, annual leave, leave without pay (LWOP), family medical leave act (FMLA) absences, overtime, and temporary/special assignments for acceptance employees 6. Ensure BMEU supervisors understand and adhere to contractual procedures for maintaining employee accountability, administering corrective action, providing union representation, and provide guidance and support — as necessary — to BMEU supervisors during grievance resolution in accordance to the procedures outlined in the <i>Employee Labor Relations Manual (ELM)</i> , the <i>Joint Contract Interpretation Manual (JCIM)</i> , and all current applicable agreements between the USPS and labor unions
Daily	7. Ensure BMEU supervisors understand and monitor acceptance employee compliance of accurate completion of all daily clock-rings, and are maintaining correct operation numbers
Daily/Weekly	8. Ensure that weekly Enterprise Resource Management System (eRMS) and Time and Attendance Collection System (TACS) leave/attendance data entries for all employees have been completed accurately and timely. Ensure BMEU supervisors and acceptance employees make necessary adjustments in advance of the deadline for each pay period
Monthly	9. Monitor MERLIN usage to ensure compliance with <i>PostalOne!</i> verification schedules and goals 10. Monitor customer mail volume and patterns to determine if logistic (e.g., MERLIN movement) and strategic (e.g., Plant Load authorization) deployments or adjustments are required, to address changing business needs and facilitate mailflow 11. Monitor staffing, verification, and acceptance for all SPPS mailings to ensure the process is meeting the business needs of USPS and the mailer, and make adjustments as necessary (see Section 1-4, <i>Business Mail Entry Management Oversight</i>)
Bi- annually	12. Review staffing and scheduling for business mail acceptance sites to ensure business and customer service needs are met and exceeded. Coordinate Labor Distribution Code (LDC) 79 adjustments for the upcoming Fiscal Year with the district managers of Budget Financial Services and Marketing, and the area customer service program analyst (CSPA) 13. Coordinate with the postmaster and the District Manager for Finance to establish the daily DMU operations and budget (see Handbook M-32, <i>Management Operating Data System</i>). The BME manager must also ensure that a review of each DMU is conducted (Section 2-3.3, <i>DMU Staffing Responsibilities</i>)
Annually	14. Create and approve an operating profile (Section 2-1.1, <i>BMEU Operating Profile</i>) 15. Coordinate with mail processing plant management to jointly develop an Integrated Operating Plan (IOP) to establish the BMEU acceptance and clearance times, and the processing plants' critical entry times for mail received by the BMEU (Section 2-1.2, <i>Integrated Operating Plan</i>) and include unpaid mail training

Exhibit 1-1 (page 4 of 4)

Checklist of General Duties for BME Manager

Customer Service Responsibilities	
Ongoing	<ol style="list-style-type: none"> 1. Participate actively in Postal Customer Council (PCC) meetings and special events and ensure employees and mailers are aware of the benefits of PCC participation and events (Section 1-2.2, <i>The Postal Customer Council</i>) 2. Coordinate with the Manager of Retail, BSN, Consumer Affairs, and the Business Development Team to improve customer service scores 3. Ensure all BME employees have taken required USPS and NCED online/classroom training courses relating to appropriate skill positions 4. Provide best practices to acceptance employees to facilitate continued improvement in communication between acceptance employees and mailers regarding mail preparation (Section 1-2, <i>Customer Outreach Program</i>) 5. Ensure all BME employees have taken required training courses and are implementing lessons learned from the Customer Outreach and BME Proficiency programs (Section 1-2, <i>Customer Outreach Program</i>)
Monthly	<ol style="list-style-type: none"> 6. Review BME Proficiency scores and develop and implement actions or adjust strategy to address weaknesses
Bi-annually	<ol style="list-style-type: none"> 7. Establish and monitor the progress of formal mail educational programs for business mailers and implement applicable changes to address changing business needs (see Section 1-4, <i>Business Mail Entry Management Oversight</i>)

Exhibit 1-2 (page 1 of 4)

Checklist of General Duties for BMEU Supervisor

<p>Frequency</p>	<p>The BMEU supervisor is responsible for managing a BMEU and/or DMU and ensuring that mail is accepted properly. BMEU supervisors must also perform critical management responsibilities to ensure that BME employees are:</p> <ul style="list-style-type: none"> • Informed of changes to USPS policy and mailing standards • Proactively communicating with mailers • Consistent and accurate in providing mailing standards information • Professional and providing quality customer service <p><i>Note:</i> BMEU supervisors may choose to delegate certain activities to an authorized designee. However, BMEU supervisors may not delegate their responsibility for ensuring that the authorized designee performs the activity.</p>
<p>Revenue Generation and Business Development Responsibilities</p>	
<p>Ongoing</p>	<ol style="list-style-type: none"> 1. Support BME manager in communicating the strategic mission statement and related objectives and goals to BME employees, specifically concerning revenue protection and customer service (e.g., timely and accurate verification, unpaid mailing prevention, employee training and development) 2. Ensure acceptance employees understand the mission statement, provided by the BME manager, and are performing consistently with mission statement goals. Provide feedback on areas for improvement to BME managers based on EPA reviews — and coordinate with BMEU managers to develop and implement improvement plan 3. Ensure all BME employees at all acceptance sites have taken required training courses and are familiar with programs and initiatives under the Customer Outreach Program 4. Understand the business development initiatives and vision of the USPS Marketing Department in relationship to the mailer, and translate that into action that creates value for the mailer and business growth for USPS (see https://blue.usps.gov/marketing) 5. Understand, and ensure acceptance employees understand, the purpose and function of the partnership with Retail, Business Service Network (BSN), Consumer Affairs, and Business Development Team 6. BMEU supervisors must understand and be able to communicate Intelligent Mail Barcode and Mailer ID standards, strategies, and information to both mailers and BME employees (see Section 1-4, <i>Business Mail Entry Management Oversight</i>)
<p>Business Management Responsibilities</p>	
<p>Ongoing</p>	<ol style="list-style-type: none"> 1. Provide clear guidance to acceptance employees on conflict resolution (mailer complaints or internal disputes), set internal and mailer communication expectations (communicating with co-workers and mailers), and establish time management expectations (prioritizing tasks and responsibilities) 2. Communicate and implement business strategies — based on BME manager’s mission statement — with acceptance employees to address issues identified in EPA reviews and performance assessments
<p>Quarterly</p>	<ol style="list-style-type: none"> 3. Attend meetings with BME manager, acceptance employees, and other USPS functional area employees — as necessary — to discuss outstanding operational, management, and customer outreach issues, for example, staffing levels, BME Proficiency Index scores, and financial compliance 4. Attend development meetings with BME manager to ensure that training and business goals are being met. Coordinate with BME manager to ensure that their feedback from EPA reviews is reflected in development discussions. Provide acceptance employees with timely and direct feedback that contributes to ongoing skills development and opportunities for career growth
<p>Bi-annually</p>	<ol style="list-style-type: none"> 5. Complete EPA Checklist, conduct EPA Review, and provide feedback to the BME manager (Section 1-3, <i>Employee Performance Assessment Review</i>)

Exhibit 1-2 (page 2 of 4)

Checklist of General Duties for BMEU Supervisor

Revenue Protection Responsibilities	
As Scheduled	<ol style="list-style-type: none"> 1. For sites accepting Periodicals mailings, monitor Periodicals reviews of Periodicals' publisher compliance with Statement of Ownership, Management, and Circulation requirements 2. Inform the BME manager of the progress of Periodicals eligibility reviews and annual SPPS reviews. DO NOT wait until the end of the Fiscal Year to conduct mandatory verifications 3. Maintain a regular visitation schedule to all DMUs to be familiar with the verification, acceptance, clearance process, and customer needs at each site 4. Ensure the completion of the "SOX Certification Questionnaire" in <i>PostalOne!</i> for their assigned sites on their required certification frequencies; and ensure that any identified deficiencies are reviewed and addressed in a timely manner
Ongoing	<ol style="list-style-type: none"> 5. Ensure acceptance employees understand and maintain compliance with unpaid mailing standard operating procedures. Compare written procedures to those being performed in sites accepting business mail. If there are significant discrepancies between written and performed procedures, corrective actions must be implemented (Section 2-7, <i>Unpaid Mail</i>) 6. Ensure that all <i>PostalOne!</i> users are properly trained for daily activity. Implement a training routine to ensure proficiency and awareness of <i>PostalOne!</i> updates 7. Monitor 10% non-subscriber and 75% advertising limits for Periodicals mailings 8. Monitor, manage, or close permit imprint accounts with no activity for 2 years, as required (Section 1-4, <i>Business Mail Entry Management Oversight</i>) 9. Monitor, manage, or initiate the closing of Periodicals accounts with no activity for one year, as required (see Section 1-4, <i>Business Mail Entry Management Oversight</i>) 10. Ensure that acceptance employees receive, understand, and implement all required information for mail classification, bulk mail acceptance, and revenue protection. 11. Review audit reports, correct deficiencies, immediately address systemic issues, and maintain ongoing compliance 12. Ensure that acceptance employees are following correct procedures for initiating refunds, reversals, overrides, and adjustments. Perform unit audits to ensure compliance with policy
Daily	<ol style="list-style-type: none"> 13. Ensure that postage statements are entered in <i>PostalOne!</i> IMMEDIATELY — NOT BATCHED. Observe employees each day to ensure timely entry as mailings are accepted. Ensure that all of the previous day's financial statements have been entered. For DMUs not equipped with <i>PostalOne!</i>, postage statements must be entered in <i>PostalOne!</i> by no later than the close of business on the day the mailing was verified. 14. Ensure "Negative Balance Report" is generated from the previous business day. Review report for negative balances and take action to resolve immediately, as necessary (Section 1-4, <i>Business Mail Entry Management Oversight</i>) 15. Ensure "Override Report" is generated from previous business day. Review report and verify all overrides were authorized. If unauthorized override activity is identified, perform necessary actions to resolve the issue(s) immediately (e.g. contact mailer for unpaid fees), and address unauthorized activity with acceptance employees 16. For MERLIN sites, verify all MERLIN systems are functioning properly and monitor individual MERLIN usage to ensure compliance with <i>PostalOne!</i> verification schedules and established goals 17. For <i>PostalOne!</i> sites, review the PBV Microstrategy — Reasons for Non-Performance Report to determine if non-performance of verification procedures was appropriate and ensure corrective action is taken, as necessary (Section 3-5, <i>PostalOne! PBV In-Depth Verification Procedures</i>) 18. Observe acceptance employees to verify they are classifying sample pieces from mailings, obtaining single—piece weights, and obtaining gross and net weights for bulk mailings. Use the Employee Performance Assessment (EPA) Checklist as a guide for daily observation (Section 1-3, <i>Employee Performance Assessment Review</i>)

Exhibit 1-2 (page 3 of 4)

Checklist of General Duties for BMEU Supervisor

Revenue Protection Responsibilities	
Daily	<p>19. Review the Disqualified Mail Log at the start of each business day, discuss issues with acceptance employees, as necessary and contact the mailer immediately for errors identified. Provide feedback on root causes of errors and corrective measures, and obtain disposition (Section 1-4, <i>Business Mail Entry Management Oversight</i>)</p> <p>20. Ensure <i>PostalOne!</i> is secure from unauthorized entry. Acceptance employees must log out of <i>PostalOne!</i> at the end of shift/tour (see Handbook AS-805-C, Sections 2 - 8)</p>
Bi-annually	<p>21. Meet with BME managers to establish and/or implement standard operating procedures for billing, recording, and reporting unpaid mail implemented and maintained (Section 2-7, <i>Unpaid Mail</i>)</p>
Operational Responsibilities	
As Necessary	<p>1. Report equipment malfunction or <i>PostalOne!</i> problems to the USPS Information Technology (IT) Help Desk at 1-800-877-7435</p>
Ongoing	<p>2. Ensure ACE users are trained for use in daily activity. Implement training routine in DMUs to ensure that employees are proficient and aware of changes to <i>PostalOne!</i></p> <p>3. Maintain daily contact with DMU employees. Stay informed of any problems they encounter, and ensure issue timely issue resolution</p> <p>4. Ensure scales have been balanced. Immediately repair/remove broken scales from service and obtain replacement(s), as applicable. If DMUs are using customer scales, have customers immediately repair/replace defective scales (Section 2-1.3, <i>Scales</i>)</p> <p>5. Understand and follow contractual procedures for approving, recording, and managing acceptance employee sick leave, annual leave, leave without pay (LWOP), family medical leave act (FMLA) absences, overtime, and temporary/special assignments for acceptance employees</p> <p>6. Ensure all BME employees understand and follow contractual procedures regarding BME employee sick leave, annual leave, leave without pay (LWOP), family medical leave act (FMLA) absences, overtime, and temporary/special assignments for acceptance employees</p> <p>7. Understand and adhere to all applicable agreements between USPS and labor unions, and as outlined in the <i>Employee Labor Relations Manual (ELM)</i> and the <i>Joint Contract Interpretation Manual (JCIM)</i>, for maintaining employee accountability, administering corrective action, and providing union representation. Coordinate and consult with the BME manager and USPS Labor Relations to resolve any conflicts or grievances according to the procedures outlined in all applicable labor manuals/documents</p>
Daily	<p>8. Check the attire and appearance of acceptance employees. Request appropriate appearance or attire improvements, as necessary (see Employee Labor Relations Manual, Chapter 9 and Handbook PO-209, 3-1 to 3-3). Remove any acceptance employee who does not comply with attire and/or safety requirements (e.g., flip-flops and open toed shoes)</p> <p>9. Check PS Forms and supplies to ensure adequate supplies for business operation</p> <p>10. Ensure that all hardcopy postal records are adequately secured in limited access areas and all information systems are adequately secured</p> <p>11. Ensure that all postal equipment is adequately stored in limited access areas. MERLINS are not required to be staged in rooms that are physically separate from the mailer's floor, however system access to MERLINS must be restricted to BMEU acceptance employees and access panels must be locked at all times (Section 2-3.2, <i>Site Requirements for DMU Authorizations</i>)</p> <p>12. Inspect the BMEU for any potential safety hazards and appearance. Contact the appropriate department (e.g., maintenance) for repairs or appearance improvement</p> <p>13. Check the dock (platform) for on-hold mailings, space availability, safety, etc. Ensure that all necessary mail transport equipment has been obtained</p> <p>14. Ensure all acceptance employees properly complete all daily clock-rings, and are entering correct operation numbers at all times</p>

Exhibit 1-2 (page 4 of 4)

Checklist of General Duties for BMEU Supervisor

Operational Responsibilities	
Daily/Weekly	15. Review the Enterprise Resource Management System (eRMS) and Time and Attendance Collection System (TACS) leave/attendance data entries for all employees, to ensure that all entries have been completed accurately and timely; and that any necessary adjustments are made in advance of the deadline for each pay period
Weekly	16. Ensure all scheduled DMUs are staffed, as necessary. Acceptance employees must be rotated for DMU staffing, as allowed (Section 2-3.3, <i>DMU Staffing Responsibilities</i>) 17. For BMEU locations that are not 24/7 operations, ensure that all mailings have been cleared or that all mailers have been contacted concerning mail held for correction prior to the close of business on the day before the BMEU closes for the weekend (e.g., Friday or day before a holiday)
Monthly	18. Ensure the <i>PostalOne!</i> User's Guide is provided to permit imprint holders who have not mailed in the prior 24 months, and generate the Nonuse Revocation letter (may be a mailing requirements function in some offices) 19. Generate the Nonprofit Permits Reports in <i>PostalOne!</i> and initiate revocation action for any nonprofit organizations that have not mailed in the prior 24 months (this may be a mailing requirements function in some offices)
Customer Service Responsibilities	
Ongoing	1. Maintain active awareness of Postal Customer Council (PCC) meetings and special events and ensure employees and mailers are aware of the benefits of PCC participation and events (Section 1-2.2, <i>The Postal Customer Council</i>) 2. Ensure all BME employees have taken required USPS and NCED online/classroom training courses relating to appropriate skill positions 3. Implement best practices, provided by BME manager, to facilitate continued improvement in communication between acceptance employees and mailers regarding mail preparation (Section 1-2, <i>Customer Outreach Program</i>) 4. Ensure all BME employees have taken required training courses and are implementing lessons learned from the Customer Outreach and BME Proficiency programs (Section 1-2, <i>Customer Outreach Program</i>) 5. Check status of all mailings disqualified from the previous business day. Verify that customers are contacted as quickly as possible to expedite resolution 6. Ensure acceptance employees are aware of and promoting mail educational programs to business mailers (see Section 1-4, <i>Business Mail Entry Management Oversight</i>) 7. Ensure acceptance employees receive, understand, and implement all required information concerning mail classification, bulk mail acceptance, and revenue protection. Acceptance employees must be informed of changes to USPS policy and mailing standards, proactively communicate with mailers, consistently and accurately provide mailing standards information, and professionally provide quality customer service (Section 1-2, <i>Customer Outreach Program</i>)
Daily	8. Review customer applications and permit approval for accuracy and completeness and obtain additional information, when necessary
Monthly/Quarterly	9. Ensure acceptance employees are aware of BME Proficiency goals and that BME Proficiency scores are posted prominently and that acceptance employee are aware of monthly/quarterly scores. Coordinate with the BME manager and acceptance employees to implement actions to address weaknesses (e.g., meetings, contests)

Business Mail Acceptance

Exhibit 1-3
[Reserved]

Exhibit 1-4 (page 1 of 6)

Employee Performance Assessment Form for non-PostalOne! Sites

Instructions

Employee Performance Assessment (EPA) Form for MERLIN Sites can be used by BME managers and/or BMEU supervisors to observe and assess the performance of acceptance employee.

Follow these instructions to complete the form:

1. Observe the acceptance employee when performing his/her duties.
2. Populate the form by assigning the acceptance employee a ranking of "Performed" or "Not Performed" for each task.
3. Insert N/A for not applicable tasks. Not all tasks may be applicable to every mailing situation. Use your judgment to by-pass some of the tasks as needed.
4. After completing the assessment, identify the individual tasks that received a "Not Performed" ranking.
5. Evaluate the acceptance employee's training needs by reviewing these tasks, and determine remedial training needs for "Not Performed" tasks. Discuss your findings with the acceptance employee and schedule any additional training, as necessary.

Exhibit 1-4 (page 2 of 6)

Employee Performance Assessment Form for non-PostalOne! Sites



Employee Performance Assessment Form for non-PostalOne! Sites					
	Task Explanation	Not Applicable	Performed	Not Performed	Additional Notes
		N/A			
Initial Verification					
BME Customer Service Proficiency Observations					
1	Greeted customer in a professional and friendly manner				
Reviewed the postage statement /documentation /PostalOne!@system data quality					
2	For hard-copy: Recorded date & time of arrival in upper right corner of postage statement For electronic submission: Retrieved postage statement from PostalOne! dashboard				
3	Reviewed postage statement for completeness (see Section 3-3.1)				
4	Checked to determine if the mail matched the documentation				
Checked PostalOne! system					
5	Verified account information is updated and complete in Account Management /Applicant Information in PostalOne! system (including e-mail address, if applicable)				
6	Ensured sufficient funds are available, if applicable				
7	Ensured mailing fees & authorizations (e.g. nonprofit status, if applicable) are current				
8	Determined if In-Depth verification is due				
Verified Supporting Documentation					
9	Verify proper supporting documentation based on mailing type.				
10	Verified total piece count against USPS Qualification Report				

Exhibit 1-4 (page 3 of 6)

Employee Performance Assessment Form for non-PostalOne! Sites



Employee Performance Assessment Form for non-PostalOne! Sites					
	Task Explanation	Not Applicable	Performed	Not Performed	Additional Notes
		N/A			
Initial Verification (Cont'd)					
Examined Mailpiece					
11	Determined if mailpieces are mailable under DMM 601, <i>Mailability</i> .				
12	Verified content eligibility (except First-Class Mail) by opening at least one mailpiece				
13	Determined if correct mail processing category was claimed				
14	Determined if mailpieces require payment of the nonmachinable surcharge				
15	Verified proper postage payment format & eligibility				
16	For metered First-Class Mail, performed Shortpaid Metered Sampling using PS Form 6116, <i>First-Class Metered Mail-Shortpaid Sampling Worksheet</i> (If MERLIN verification is scheduled, disregard as automatically performed by MERLIN)				
17	Verified correct endorsements & markings including ancillary service endorsements				
18	Performed tap test, as applicable for window envelopes				
19	Verified bundle preparation for flat-size mailings meet the standards for securing bundles in DMM.				
Performed a Cursory Review					
20	Verify container integrity				
21	Verify container labeling				
22	Check delivery address				
23	Verify destination and sortation				

Exhibit 1-4 (page 4 of 6)

Employee Performance Assessment Form for non-PostalOne! Sites



Employee Performance Assessment Form for non-PostalOne! Sites					
	Task Explanation	Not Applicable	Performed	Not Performed	Additional Notes
		N/A			
Initial Verification (Cont'd)					
Conduct Weight Verification					
24	Determined weight of a single piece for Permit Imprint mailing				
Reviewed Containers from the Mailing					
25	Verified correct size labels are used (tray labels, sack labels, pallet labels) and correctly formatted				
26	Verified all tray, sack, and pallet labels are legible				
27	Verified bundle label or Optional Endorsement Line (OEL) are correct and that address and OEL/label on top piece of bundle is readable				
28	Verified that trays are sleeved				
29	Verified that trays are strapped, as applicable				
Failed Initial Verification					
30	If customer was present , advised customer of errors & provided options for correcting mailing or paying additional postage				
31	If customer was not present , held mail & notified customer of errors, and conducted In-Depth verification				
32	Recorded mailing information on Disqualified Mail Log				

Exhibit 1-4 (page 5 of 6)

Employee Performance Assessment Form for non-PostalOne! Sites



Employee Performance Assessment Form for non-PostalOne! Sites					
	Task Explanation	Not Applicable	Performed	Not Performed	Additional Notes
		N/A			
In-Depth Verification					
An In-Depth verification is performed if: 1. <i>PostalOne!</i> system scheduled an In-Depth Verification, or 2. Failed Initial Verification and customer was not present to correct the errors					
33	Completed the MERLIN worksheet & proceeded with MERLIN Verification				
34	Used Random Generator List to select verification sample				
35	Sample selection was used based on the volumes reported on postage statements: 1. Sample size for mailings 10,000 pieces and under is a minimum of 500 pieces. If total volume is fewer than 500 pieces, run entire mailing 2. Sample size for mailings greater than 10,000 pieces is a minimum of 1,000 pieces				
36	Used MERLIN to verify piece count for permit imprint mailing				
37	If mailing is not MERLIN compatible & verification is scheduled, performed in-depth verification using PS Form 2866, <i>Presort Verification Record</i> .				
38	If a MERLIN verification was NOT scheduled: Completed weigh verification procedures on identical weight permit imprint mailings according to Non-MERLIN verification procedures. May use PS Form 8040, Bulk Mail Acceptance Worksheet				
39	Is knowledgeable on MERLIN POSTNET Readability Appeal Process				
Performed Mail Piece Count Verification					
40	Performed Mail Piece Count Verification (MPCV) for Combined/Value Added mailing, if applicable				

Exhibit 1-4 (page 6 of 6)

Employee Performance Assessment Form for non-PostalOne! Sites



Employee Performance Assessment Form for non-PostalOne! Sites					
	Task Explanation	Not Applicable	Performed	Not Performed	Additional Notes
		N/A			
In-Depth Verification (Cont'd)					
Performed Mailpiece Automation Compliance Review for MERLIN					
41	Verified that the mailing is automation-compatible				
42	If the mailing failed automation compliance review, returned the mailing to the mailer for corrective action, or charged all pieces in the mailing at the nonautomation price				
Failed In-Depth Verification					
43	Held mail & notified customer advising them of errors & provided options for correcting mailing or paying additional postage				
44	Recorded mailing information on Disqualified Mail Log				
Finalization of Transaction					
If the initial verification passed or in-depth verification is completed or not required, finalized transaction in a timely manner					
45	Postage statement & verification results were recorded in PostalOne! system & released mail to Operations				
46	Hard copy Postage statements are completed, signed and dated in the USPS Use Only section. (Non-PostalOne! sites only)				
47	If requested by the customer, print a copy of PS Form 3607-R				
48	Attached a copy of PS Form 3607-P to each mailing staged for clearance and release to Operations.				
BME Customer Service Proficiency Observations					
49	Demonstrated courtesy and helpfulness to customer. If not, elaborate areas of improvement in the comments section				
50	Demonstrated necessary technical knowledge. If not, elaborate areas of improvement in the comments section				
51	Thanked customer				

Exhibit 1-5 (page 1 of 6)

Employee Performance Assessment Form for *PostalOne!* Sites

Instructions

Employee Performance Assessment (EPA) Form for *PostalOne!* Sites can be used by BME managers and/or BMEU supervisors to observe and assess the performance of acceptance employee.

Follow these instructions to complete the form:

1. Observe the acceptance employee when performing his/her duties.
2. Populate the form by assigning the acceptance employee a ranking of "Performed" or "Not Performed" for each task.
3. Insert N/A for not applicable tasks. Not all tasks may be applicable to every mailing situation. Use your judgment to by-pass some of the tasks as needed.
4. After completing the assessment, identify the individual tasks that received a "Not Performed" ranking.
5. Evaluate the acceptance employee's training needs by reviewing these tasks, and determine remedial training needs for "Not Performed" tasks. Discuss your findings with the acceptance employee and schedule any additional training, as necessary.

Exhibit 1-5 (page 2 of 6)

Employee Performance Assessment Form for *PostalOne!* Sites



Employee Performance Assessment Form for <i>PostalOne!</i> Sites					
	Task Explanation	Not Applicable	Performed	Not Performed	Additional Notes
		N/A			
Initial Verification					
BME Customer Service Proficiency Observations					
1	Greeted customer in a professional and friendly manner				
Reviewed the postage statement /documentation/ <i>PostalOne!</i> @ system data quality					
2	For hard-copy: Recorded date & time of arrival in upper right corner of postage statement For electronic submission: Retrieve postage statement from <i>PostalOne!</i> dashboard				
3	Reviewed postage statement for completeness (see Section 3-3.1)				
4	Checked to determine if the mail matched the documentation				
Checked <i>PostalOne!</i> system					
5	Verified account information is updated and complete in Account Management /Applicant Information in <i>PostalOne!</i> system (including e-mail address, if applicable)				
6	Ensured sufficient funds are available, if applicable				
7	Ensured mailing fees & authorizations are current				
8	Verified nonprofit status, if applicable				
9	Entered the postage statement information into <i>PostalOne!</i>				
10	Determined if In-Depth verification is due				
Verified Supporting Documentation					
11	Verify proper supporting documentation based on mailing type.				
12	Verified total piece count against USPS Qualification Report				

Exhibit 1-5 (page 3 of 6)

Employee Performance Assessment Form for *PostalOne!* Sites



Employee Performance Assessment Form for <i>PostalOne!</i> Sites					
	Task Explanation	Not Applicable	Performed	Not Performed	Additional Notes
		N/A			
Initial Verification (Cont'd)					
Examine a Mailpiece to Determine if Mailpieces are Mailable Under DMM 601, <i>Mailability</i> .					
13	Verified content eligibility (except First-Class Mail) by opening at least one mailpiece				
14	Determined if correct mail processing category was claimed				
15	Determined if mailpieces require payment of the nonmachinable surcharge				
16	Verified proper postage payment format & eligibility				
17	For metered First-Class Mail, performed Shortpaid Metered Sampling using PS Form 6116, <i>First-Class Metered Mail-Shortpaid Sampling Worksheet</i> (If MERLIN verification is scheduled, disregard as automatically performed by MERLIN)				
18	Verified correct endorsements & markings including ancillary service endorsements				
Performed a Cursory Review					
19	Verify container integrity				
20	Verify container labeling				
21	Check delivery address				
22	Verify destination and sortation				
Failed Initial Verification					
23	If customer was present , advised customer of errors & provided options for correcting mailing or paying additional postage				
24	If customer was not present , held mail & notified customer of errors, and conducted In-Depth verification				
25	Recorded mailing information on Disqualified Mail Log				

Exhibit 1-5 (page 4 of 6)

Employee Performance Assessment Form for *PostalOne!* Sites



Employee Performance Assessment Form for <i>PostalOne!</i> Sites					
	Task Explanation	Not Applicable	Performed	Not Performed	Additional Notes
		N/A			
In-Depth Verification					
An in-depth verification is performed if:					
1. <i>PostalOne!</i> system scheduled In-Depth Verification procedures, or					
2. Failed Initial Verification and customer was not present to correct the errors					
Conduct Weight Verification Per PVB					
26	Weighed identical weight permit imprint mailings and verified piece count manually				
Conduct Bundle Preparation Test					
27	Verified that bundles are properly prepared, manually				
28	Verified bundle preparation for flat-size mailings meet the standards for securing bundles in DMM				
Perform Tap Test					
29	Performed tap test, as applicable for window envelopes, manually				
Perform Barcode Quality Review					
30	Selected samples for review. Verified the preprinted delivery point barcode for letter-size mail, ZIP+4 code, or delivery point barcode for flat-size mail is readable on USPS automation equipment.				
Perform Mailpiece Compliance Review					
31	Selected sample for review. Verified that mailings are eligible for automations prices claimed based on physical standards, address quality, and coding standards.				
32	Completed manual worksheet and entered all results on the electronic worksheet in <i>PostalOne!</i>				
Perform First-Class Metered Mail Shortpaid					
33	Determined if mailpieces are mailable under DMM 601, <i>Mailability</i> .				
34	Completed manual worksheet and entered all results on the electronic worksheet in <i>PostalOne!</i>				

Exhibit 1-5 (page 5 of 6)

Employee Performance Assessment Form for *PostalOne!* Sites



Employee Performance Assessment Form for <i>PostalOne!</i> Sites					
	Task Explanation	Not Applicable	Performed	Not Performed	Additional Notes
		N/A			
In-Depth Verification (Cont'd)					
Performed Mail Piece Count Verification					
35	Performed Mail Piece Count Verification (MPCV) for Combined/Value Added mailing, if applicable				
General MERLIN Operational Knowledge					
36	Completed the MERLIN worksheet & proceeded with MERLIN Verification				
37	Used Random Generator List to select verification sample trays/sacks				
38	Used MERLIN to verify piece count for permit imprint mailing				
39	If mailing is not MERLIN compatible & verification is scheduled, performed in-depth verification using PS Form 2866, <i>Presort Verification Record</i> .				
40	If a MERLIN verification was NOT scheduled: Completed weigh verification procedures on identical weight permit imprint mailings according to Non-MERLIN verification procedures. May use PS Form 8040, Bulk Mail Acceptance Worksheet				
41	Is knowledgeable on MERLIN POSTNET Readability Appeal Process				
Failed In-Depth Verification					
42	Held mail & notified customer advising them of errors & provided options for correcting mailing or paying additional postage				
43	Recorded mailing information on Disqualified Mail Log				

Exhibit 1-5 (page 6 of 6)

Employee Performance Assessment Form for *PostalOne!* Sites



Employee Performance Assessment Form for <i>PostalOne!</i> Sites					
	Task Explanation	Not Applicable	Performed	Not Performed	Additional Notes
		N/A			
Finalization of Transaction					
If the initial verification passed or in-depth verification is completed or not required, finalized transaction in a timely manner					
44	Postage statement & verification results were recorded in <i>PostalOne!</i> system & released mail to Operations				
45	Hard copy Postage statements are completed, signed and dated in the USPS Use Only section. (Non- <i>PostalOne!</i> sites only)				
46	If requested by the customer, print a copy of PS Form 3607-R				
47	Attached a copy of PS Form 3607-P to each mailing staged for clearance and release to Operations.				
BME Customer Service Proficiency Observations					
48	Demonstrated courtesy and helpfulness to customer. If not, elaborate areas of improvement in the comments section				
49	Demonstrated necessary technical knowledge. If not, elaborate areas of improvement in the comments section				
50	Thanked customer				

Exhibit 1-6 (page 1 of 6)

Employee Performance Assessment Form for Non-MERLIN Sites

Instructions

Employee Performance Assessment (EPA) Form for Non-MERLIN Sites can be used by BME managers and/or BMEU supervisors to observe and assess the performance of acceptance employee.

Follow these instructions to complete the form:

1. Observe the acceptance employee when performing his/her duties.
2. Populate the form by assigning the acceptance employee a ranking of "Performed" or "Not Performed" for each task.
3. Insert N/A for not applicable tasks. Not all tasks may be applicable to every mailing situation. Use your judgment to by-pass some of the tasks as needed.
4. After completing the assessment, identify the individual tasks that received a "Not Performed" ranking.
5. Evaluate the acceptance employee's training needs by reviewing these tasks, and determine remedial training needs for "Not Performed" tasks. Discuss your findings with the acceptance employee and schedule any additional training, as necessary.

Exhibit 1-6 (page 2 of 6)

Employee Performance Assessment Form for non-MERLIN Sites



Employee Performance Assessment Form for Non-MERLIN Sites					
	Task Explanation	Not Applicable	Performed	Not Performed	Additional Notes
		N/A			
Initial Verification					
BME Customer Service Proficiency Observations					
1	Greeted customer in a professional and friendly manner				
Reviewed the postage statement /documentation / <i>PostalOne!</i> @ system data quality					
2	For hard-copy: Recorded date & time of arrival in upper right corner of postage statement For electronic submission: Retrieved postage statement from <i>PostalOne!</i> Dashboard				
3	Reviewed postage statement for completeness (see Section 3-3.1)				
4	Checked to determine if the mail matched the documentation				
Checked <i>PostalOne!</i> System					
5	Verified account information is updated and complete in Account Management /Applicant Information in <i>PostalOne!</i> (including e-mail address, if applicable)				
6	Ensured sufficient funds are available, if applicable				
7	Ensured mailing fees & authorizations (e.g. nonprofit status) are current				
8	Determined if In-Depth verification is due				
Verified Supporting Documentation					
9	Verify proper supporting documentation based on mailing type.				
10	Verified total piece count against USPS Qualification Report				

Exhibit 1-6 (page 3 of 6)

Employee Performance Assessment Form for non-MERLIN Sites



Employee Performance Assessment Form for Non-MERLIN Sites					
	Task Explanation	Not Applicable	Performed	Not Performed	Additional Notes
		N/A			
Initial Verification (Cont'd)					
Examined Mailpiece					
11	Determined if mailpieces are mailable under DMM 601, <i>Mailability</i> .				
12	Verified content eligibility (except First-Class Mail) by opening at least one mailpiece				
13	Determined if correct mail processing category was claimed				
14	Determined if mailpieces require payment of the nonmachinable surcharge				
15	Verified proper postage payment format & eligibility				
16	For metered First-Class Mail, performed Shortpaid Metered Sampling using PS Form 6116, <i>First-Class Metered Mail-Shortpaid Sampling Worksheet</i>				
17	Verified correct endorsements & markings including ancillary service endorsements				
18	Performed tap test, as applicable for window envelopes				
19	Verified bundle preparation for flat-size mailings meet the standards for securing bundles in DMM				
Performed a Cursory Review					
20	Verify container integrity				
21	Verify container labeling				
22	Check delivery address				
23	Verify destination and sortation				
Conduct Weight Verification					
24	Determined weight of a single piece for Permit Imprint mailing				

Exhibit 1-6 (page 4 of 6)

Employee Performance Assessment Form for non-MERLIN Sites



Employee Performance Assessment Form for Non-MERLIN Sites					
	Task Explanation	Not Applicable	Performed	Not Performed	Additional Notes
		N/A			
Initial Verification (Cont'd)					
Reviewed Containers from the Mailing					
25	Verified correct labels are used (tray labels, sack labels, pallet labels) and correctly formatted				
26	Verified all tray, sack, and pallet labels are legible				
27	Verified bundle label or Optional Endorsement Line (OEL) are correct and that address and OEL/label on top piece of bundle is readable				
28	Verified that all trays are sleeved				
29	Verified that trays are strapped, as applicable				
Failed Initial Verification					
30	If customer was present , advised customer of errors & provided options for correcting mailing or paying additional postage				
31	If customer was not present , held mail & notified customer of errors, and conducted In-Depth verification				
32	Recorded mailing information on Disqualified Mail Log				
In-Depth Verification					
An in-depth verification is performed if: 1. <i>PostalOne!</i> scheduled an In-Depth Verification, or 2. Failed Initial Verification and customer was not present to correct the errors					
33	Performed In-Depth verification using PS Form 2866, <i>Presort Verification Record</i>				
34	Used Random Generator List to select verification sample trays/sacks				

Exhibit 1-6 (page 5 of 6)

Employee Performance Assessment Form for non-MERLIN Sites





Employee Performance Assessment Form for Non-MERLIN Sites					
	Task Explanation	Not Applicable	Performed	Not Performed	Additional Notes
		N/A			
In-Depth Verification (Cont'd)					
35	Sample selection was used based on the volumes reported on postage statements: 1. Sample size for mailings 10,000 pieces and under is a minimum of 500 pieces. If total volume is fewer than 500 pieces, run entire mailing 2. Sample size for mailings greater than 10,000 pieces is a minimum of 1,000 pieces				
36	Completed weigh verification procedures on identical weight permit imprint mailings according to Non-MERLIN verification procedures using PS Form 8040, Bulk Mail Acceptance Worksheet				
37	Performed barcode quality review				
Performed Mail Piece Count Verification					
38	Performed Mail Piece Count Verification (MPCV), if applicable				
Performed Mailpiece Automation Compliance Review for Non-MERLIN Sites					
39	Verified that the mailing is automation-compatible				
40	If the mailing failed automation compliance review, returned the mailing to the mailer for corrective action, or charged at applicable rates				
Failed In-Depth Verification					
41	Held mail & notified customer advising them of errors & provided options for correcting mailing or paying additional postage				
42	Recorded mailing information on Disqualified Mail Log				

Exhibit 1-6 (page 6 of 6)

Employee Performance Assessment Form for non-MERLIN Sites

Employee Performance Assessment Form for Non-MERLIN Sites					
	Task Explanation	Not Applicable	Performed	Not Performed	Additional Notes
		N/A			
Finalization of Transaction					
If the initial verification passed or in-depth verification is completed or not required, finalized transaction in a timely manner					
43	Postage statement & verification results recorded in <i>PostalOne!</i> & released mail to Operations				
44	Hard copy Postage statements are completed, signed and dated in the USPS Use Only section. (Non- <i>PostalOne!</i> sites only)				
45	If requested by the customer, print a copy of PS Form 3607-R				
46	Attached a copy of PS Form 3607-P to each mailing staged for clearance and release to Operations				
BME Customer Service Proficiency Observations					
47	Demonstrated courtesy and helpfulness to customer. If not, elaborate areas of improvement in the comments section				
48	Demonstrated necessary technical knowledge. If not, elaborate areas of improvement in the comments section				
49	Thanked customer				

Chapter 2 — BMEU Operations

Business Mail Acceptance

Exhibit 2-1

Sample BMEU Operating Profile Overview

a.	Office	Hometown, VA, BMEU 1234 Main Street Hometown, VA 12345-6789	Telephone: 703-518-4567
b.	Operation Days and Hours	Monday–Friday (Public) Monday–Friday (Operational) Saturday (Public) Saturday (Operational) Sunday	9:00 a.m. – 6:00 p.m. 8:00 a.m. – 01:00 a.m. 9:00 a.m. – 12:00 p.m. 8:00 a.m. – 5:30 p.m. Closed
c.	* Critical Acceptance and Clearance Times	Express Mail Priority Mail First-Class Mail (Single Pc.) First-Class Mail (Presort) First-Class Mail (Auto) Periodicals Standard Mail Package Services	4:30 p.m. 6:00 p.m. 5:50 p.m. 7:45 p.m. 8:45 p.m. 7:45 p.m. 5:00 p.m. 5:00 p.m.
d.	Widely Observed Holidays	New Year’s Day Memorial Day Independence Day Labor Day Thanksgiving Christmas	January 1 Last Monday in May July 4 First Monday in September Fourth Thursday in November December 25
e.	Employee Compliment Overview (use attachment if necessary to include all employee schedules)	Employee Positions (by level): Job Title & Occupation Code Scheduled Days Off Duty Hours Lunch Nonscheduled Days	Level 6 Bulk mail Tech/2320–28XX Monday–Friday 0800-1650 Variable Saturday/Sunday
f.	Detached Mail Units and On-Site Verification Locations	Mailways, Inc 1245 Industrial Drive Hometown, VA 12345-5666 Telephone: 703-222-1234	PVDS Agreement Renewal Date 5/31/09 Plant Load Authorization Renewal Date 9/01/11
g.	Postage Payment participants	Jolly Mailers 5152 Crossbow Road Hometown, VA 12345-5036 Telephone: 703-222-0617 Mailways, Inc.	Optional Procedure (OP) Mailing System Renewal Date 3/15/09 Manifest Mailing System Renewal Date 10/15/09
h.	Accounting Systems	<i>PostalOne!</i>	Daily Close Out 2200
i.	Convenience Deposit Points (CDP)	Columbia Station 9871 Columbia Ave Hometown, VA 12345-9998 Telephone: 703-222-1235	Hours: 0900-1200

*In a BMEU setting, critical clearance time is defined as the cutoff time for the BMEU to release mail to operations.

Exhibit 2-2 (page 1 of 2)

Sample Joint Plant/BMEU Integrated Operating Plan

Revised: November 15, 2009

Office: Hometown, VA

Address: 1234 Main Street

Hometown, VA 12345-9998

Critical Times	Mail Class	Time
Local plant's Critical Entry Times (CET) (Monday-Friday) or, Associate Office Dispatch Time	Express Mail Priority Mail FCM Single-piece FCM Presorted FCM Auto Periodicals Standard Mail Package Services	4:30 p.m. 6:00 p.m. 6:00 p.m. 8:00 p.m. 9:00 p.m. 8:00 p.m. 7:00 p.m. 7:00 p.m.
BMEU Critical Clearance Times (Monday-Friday) For customer mailings: cutoff release time to meet plant CET	Express Mail Priority Mail FCM Single-piece FCM Presorted FCM Auto Periodicals Standard Mail Package Services	4:00 p.m. 5:50 p.m. 5:50 p.m. 7:45 p.m. 8:45 p.m. 7:45 p.m. 6:45 p.m. 6:45 p.m.
BMEU Critical Acceptance Times (Monday-Friday) Customer mailings must be presented by these cutoff times	Express Mail (Drop Ship) Priority Mail Priority Mail (Drop Ship) • 1-3 Entry Points and/or no more than 20 sacks/trays. • 4-6 Entry Points and/or no more than 40 sacks/trays. • 7 or more Entry Points or more than 40 sacks. FCM Single-piece FCM Presorted FCM Auto Periodicals Standard Mail Package Services	2:00 p.m. 5:00 p.m. 4:00 p.m. 3:00 p.m. 2:00 p.m. 5:00 p.m. 6:00 p.m. 8:00 p.m. 6:00 p.m. 5:00 p.m. 5:00 p.m.
Local Plant's Critical Entry Times (CET) (Monday-Friday) or, Associate Office Dispatch Time	Express Mail Priority Mail FCM Single-piece FCM Presorted FCM Auto Periodicals Standard Mail Package Services	4:30 p.m. 6:00 p.m. 6:00 p.m. 8:00 p.m. 9:00 p.m. 8:00 p.m. 7:00 p.m. 7:00 p.m.

Business Mail Acceptance

Exhibit 2-2 (page 2 of 2)

Sample Joint Plant/BMEU Integrated Operating Plan

Revised: November 15, 2009
 Office: Hometown, VA
 Address: 1234 Main Street
 Hometown, VA 12345-9998

Critical Times	Mail Class	Time
BMEU Critical Clearance Times (Monday-Friday) For customer mailings: cutoff release time to meet plant CET	Express Mail	4:00 p.m.
	Priority Mail	4:00 p.m.
	FCM Single-piece	4:00 p.m.
	FCM Presorted	4:00 p.m.
	FCM Auto	4:00 p.m.
	Periodicals	4:00 p.m.
	Standard Mail	4:00 p.m.
	Package Services	4:00 p.m.
BMEU Critical Acceptance Times (Monday-Friday) For customer mailings: cutoff release time to meet plant CET	Express Mail	12:00 p.m.
	Priority Mail	12:00 p.m.
	FCM Single-piece	12:00 p.m.
	FCM Presorted	12:00 p.m.
	FCM Auto	12:00 p.m.
	Periodicals	12:00 p.m.
	Standard Mail	12:00 p.m.
	Package Services	12:00 p.m.

Exceptions to Critical Entry Times:

All times listed are CET for plants. Mailers must submit mailings at a time (prior to the CET) that allows acceptance employees to verify and accept the mail, or allows the mailer sufficient time to transport the mail (if authorized) to the appropriate destination by the listed CET.

Note: The national CET Color Code Policy is based on the date and time post verification mailings are actually cleared by the BMEU to operations for Standard Mail presented by mailers at a BMEU co-located at USPS processing facilities. National CET Color Code tags or placards are applied to mailings by the operations personnel at P&DCs.

Operations will maintain a separate color coding tag system based on when cleared mail is scheduled to be processed (based on business day). Once the BMEU clears the mail, operations personnel are authorized to remove any BMEU mail class color coding and attach CET color coding tags to cleared mailings. BMEU management and operations must coordinate to ensure that color coding tags and placards are clearly distinguishable to avoid any confusion.

For BME acceptance points/offices located at Associate Post Offices, the acceptance clerk will apply the correct color code to the mailing before it is released for transport to a mail processing facility. Any clearance color codes that have been attached according to mail class must be removed prior to transport to a mail processing facility.

Number One Presort 6789 Main Street Hometown, VA 12345-6789 Telephone: 703-518-7654	FCM Presorted	8:00 p.m.
	FCM Auto	9:00 p.m. All MXD AADC 10:30 p.m. All Non-local AADC, 3-D, & 5D
		12:00 a.m. All Local P&DC/P&DF 3-D, & 5D

Approved By, Name & Title: C.T. Smith Senior Plant Manager

Signature:

Date: 11/17/2009

Approved By, Name & Title: C.A. Jones Manager, Business Mail Entry

Signature:

Date: 11/18/2009

Exhibit 2-3 (page 1 of 2)

Scales**Overview of Scales**

This section identifies types of scales recommended for Business Mail Entry Units (BMEUs) and Detached Mail units (DMUs).

Always use the proper scales that are accurately calibrated. Improper use can result in even small errors in determining the weight of a single piece and can change the mail classification of an entire mailing. Also, errors in weight verification can lead to incorrect postage charges.

There are a variety of postage scales available for customer and/or employee use for weighing mail and determining how much postage should be used. The proper use and maintenance of scales play an important role in revenue protection.

IRT Scales

Verify scale accuracy each day (zero balance). If scale is not accurate, calibrate using certified test weights. The instructions and scale calibration process can be invoked by inserting the Utility Disk the accompanied the scale, and choosing menu option 5 "Calibrate Scale" using a certified 5lb. weight (obtained by calling 1-800-332-0317). Refer to the Retail web site at <http://blue.usps.gov/retail/L1Equipment.htm>. For IRT technical and service issues, contact the Help Desk at **800-247-6478**.

POS ONE Scales

Verify scale accuracy each day (zero balance). If scale is not accurate, calibrate using certified test weights. Refer to the POS ONE web site at <http://eagnmnsxfb0/posone/> or follow the instructions in section 42 of the POS ONE Online Procedures Guide at: <http://blue.usps.gov/delret/L2rsnam/L3rse/pos/posproceduresguide051407.pdf>, for zeroing and calibration of POS scales. For POS-ONE technical and service issues, contact the Help Desk at **800-877-7435**

Denver Instruments Model AI-3K44 Scales

These scales were originally deployed to BMEUs in 1992. These scales allow a maximum weight of 6lbs. 4ozs. They are very sensitive and weigh individual mailpieces with a great degree of accuracy. These scales should be used when weighing individual pieces of mail to determine if piece is within an ounce increment. These scales should be used for manual FCM shortpaid meter samplings.

Bulk Weighing Scales (25 Lb)

Several models of highly accurate digital electronic scales are available, with a 25-pound capacity. Many of these scales automatically compute the weight of a single piece; however, they require a sample of 10 or more pieces. Normally, these scales can also subtract tare weight (the weight of the container) and determine the piece count of the contents of a container placed on the scale platform.

Scales may be purchased directly from the manufacturer or an authorized vendor. Suggested source of supply:

- Triner Scales — Model TBM 25
- Detecto — Model MSB25
- NCI — Model 7050

Large-Capacity Scales

A variety of larger capacity electronic scales (for weights up to 250 lbs.) are available from different manufacturers. This type of scale is preferred for use at the counter line workstations for weighing small volume mailings quickly. The weighing surface should be flat and measure at least 20 inches by 20 inches.

Purchasers should evaluate their needs and review available products. Scales should be purchased directly from the manufacturer or authorized vendor.

Scales

Platform Scales

Platform scales can be obtained for almost any maximum weight. Consider these factors before selecting a platform scale:

- Platform Size: Platform scales can be ordered in 5-foot and 7-foot lengths. The 7-foot length is useful if the BMEU occasionally weighs more than one container (such as hampers or general-purpose mail containers) at a time
- Maximum Weight Capacity: A scale with maximum capacity of 2,500 to 3,000 pounds is generally most accurate. A scale with heavier weight capacity can provide a less accurate reading. A scale that can weigh loads up to 10,000 pounds might sound desirable, but in almost all cases there is little need for a scale with that much capacity
- Weight Increments: For larger capacity scales, many manufacturers design their scales to read increments ranging from 2-1/2 to 10 pounds. This lack of precision adds another variable into the weighing formula, making certain scales undesirable

Testing, Maintenance, and Certification

Daily Testing

All scales used to find piece weights for mail acceptance must be tested daily at the beginning of each tour. Test the scales as follows:

- a) Use certified weights of 1 ounce, and 5 pounds, but do not exceed the capacity of the sampling scale
- b) Zero the scale before placing the test weights on the scale platform and check these tolerances:
 - An electronic scale must read within (plus or minus) 0.002 pounds for weights up to and including 1 pound
 - An electronic scale must read within (plus or minus) 0.01 pounds when the 5-pound weight is on the platform
- c) Tests weights may be procured through the Material Distribution Center (PSIN 0852)
- d) Beam balances must float freely near the center of their swing when they are set for the weight being applied

Maintenance and Repair

Scales are one of the most essential pieces of equipment in a BMEU. They require regular, skilled maintenance and must be repaired promptly when they malfunction. BMEU management must ensure scheduled maintenance for all scales, particularly electronic scales. Facilities with scheduled maintenance programs have reduced their incidence of repair and downtime of their scales to near zero.

Calibration

All scales used for mail acceptance must be calibrated for accuracy by USPS maintenance personnel, a government weights and measures agency, or by a private scale firm every 12 months. This calibration must be done when a new or repaired scale is placed into service and at least once every 12 months afterwards.

Exhibit 2-4

Detached Mail Unit Library

Document	Requirement
<i>Manuals</i>	
Domestic Mail Manual	Required
International Mail Manual	As Needed
<i>Handbooks</i>	
DM-109, Business Mail Acceptance	Required
PO-502, Container Methods	Required
PO-512, Plant Load Authorization and Procedures Guidelines	As Needed
T-5, International Mail Operations	As Needed
<i>Publications</i>	
ISAL® Service Guide	As Needed
Pub. 401, Guide to Manifest Mailing System (available at http://ribbs.usps.gov/mac/documents/tech_guides/PUBS/PUB_401.PDF),	As Needed
Pub. 406, Guide to the Centralized Postage Payment (CPP) System for Periodicals Mail	As Needed
Pub. 417, Nonprofit Standard Mail Eligibility	As Needed
IPA Service Guide	As Needed
<i>Other</i>	
Customer Support Rulings	Required
Postal Bulletin	Required
Copy of Signed Authorization Agreements	Required
Standard Operating Procedures	Required
P&C Weekly (Online subscription)	Required
Business Mail Acceptance Newsletter (Online subscription)	Required
DMM Advisory (Online subscription)	Required

Exhibit 2-5

Sample Convenience Deposit Point SOP

Manager, Business Mail Entry
Anytown Performance Cluster



September 28, 2008

MEMORANDUM FOR: Manager, Motor Vehicle Service
Manager, Distribution Operations T-3
Manager, Linwood Station
Supervisor, Business Mail Entry

SUBJECT: Convenience Deposit Point (CDP) SOP

In accordance with the guidelines set forth in this management instruction, small First-Class Mail and Standard Mail mailings may be accepted from mailers for forwarding to the business mail entry unit (BMEU). The BMEU directly accepts mailings of any class from (9 a.m. to 8 p.m., Monday through Friday, and from 9 a.m. to 1 p.m. on Saturdays. The unit is closed on Sundays and major holidays.

Presorted First-Class Mail may only be deposited at the Rangeview and Getter Stations. Standard Mail may be deposited at:

Apple Valley Station	Linda Avenue Station	Rangers Park Station
Brown Park Station	Louder Branch	Rangeview Station
Getter Station	Martin Luther Station	Shoredrive Branch
Lansing Station	Potomac Station	

Mailings deposited at these facilities are limited to five sacks or trays per mailing and no more than two mailings per day for each mailer.

Procedures for accepting and dispatching mailings accepted at Convenience Deposit Points:

1. Ensure that the permit origin is (your Post Office). If the origin is other than (your Post Office), the mailer must be directed to (issuing Post Office)
2. Sign and date hardcopies of the postage statement
3. Log each mailing on the Station/Branch Daily BMAU Dispatch Log, using the letters of the alphabet to identify the mailing
4. Identify the postage statement with the appropriate letter in the upper right corner
5. Overlabel each sack/tray label with the neon green BMEU sack/tray label
6. Identify the neon green BMEU label with the letter that it corresponds to on the Station/Branch Daily BMEU Dispatch Log. If more than one sack/tray is in the mailing, each sack must be identified in sequence
7. Store sacks in the "designated" container, such as BMC, GPMC, etc., which are reserved for these mailings.
8. The postage statements and original log will be placed in a specially marked pouch which must be attached to the top door latch of the GPMC or other container. The pouch must be addressed to the BMEU and the address must be facing out for easy identification. The duplicate copy of the log must be maintained for 90 days and then disposed of appropriately.

All bulk mailings are verified for proper preparation, postage, and fees at the business mail entry unit. Stations and branches do not have personnel trained in bulk mail preparation requirements. Therefore, they must NOT instruct mailers concerning mail preparation requirements. Customers must obtain information about bulk mail preparation from the BMEU or mailing requirements office by visiting the office or telephoning (list phone number). It is very important that all station/branch employees be made aware of these procedures and adheres to them. The potential for loss of revenue resulting from bypass mailings is significant. Immediately report any problems to the manager, business mail entry.

/s/Robert J. Reeves
Manager, Marketing

/s/Christiana Chapman
Manager Dist. Operations T/3

/s/Martin Smith
postmaster/Station Mgr.

John W. Doe
Manager, Business Mail Entry
cc: Manager, Anytown Processing & Distribution Center
Manager, Marketing

Exhibit 2-6

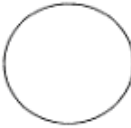
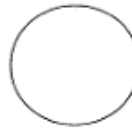
CDP Daily Mailing Log

CONVENIENCE DEPOSIT POINT (CDP) DAILY MAILING LOG
 Complete this form and submit to BMEU with CDP mailings. Retain a copy.
Note: A negative report is required.

CONVENIENCE DEPOSIT POINT: _____ Date: _____

ALPHA CODE	PERMIT NUMBER	PROC. CAT. (L)letters (F)flats (P)parcels	NUMBER OF PIECES	NAME/DESCRIPTION OF MAILING	NUMBER OF CONTAINERS	INITIALS OF DISPATCHING EMPLOYEE	INITIALS OF RECEIVING EMPLOYEE
A							
B							
C							
D							
E							
F							
G							
H							
J							
K							
L							

DISPATCHING EMPLOYEE: _____ RECEIVING EMPLOYEE: _____

ROUND DATE:  ROUND DATE: 

Page ____ of ____

Business Mail Acceptance

Exhibit 2-7

PS Form 8069 Bypass Mail Log

Note: To see PS Form 8069, click the link below:

<http://blue.usps.gov/formmgmt/forms/ps8069.pdf>

Exhibit 2-8

Sample for Incorrect Deposit of Bulk Mail

Manager, Business Mail Entry
Anytown Performance Cluster



September 10, 2004

ABC Company
123 Brown Street
Anytown ST 60698-9999

Dear Postal Customer:

RE: Notification of Incorrect Deposit of Bulk Mail

Our office recently received a postage statement (copy enclosed) from your company that was found in the mailstream at the (Anytown) Post Office. This is a matter of great concern to us since our goal is to process all mailings properly and timely. Since our acceptance employees did not see your mailing our assumption is that it entered the mailstream. Your account has been billed according to the information on your postage statement.

It appears that your mailing was not properly deposited at the Business Mail Entry Unit (BMEU) and entered mail channels without going through the normal acceptance process. For your information the BMEU, is located (in the Main Post Office, 300 N. 6th Street, Stall 69. The hours of operation are Monday through Friday, 9 a.m. to 8 p.m. and Saturday 9 a.m. to 1 p.m.; closed holidays except Dr. Martin Luther King, Jr. Day, Washington's Birthday, Columbus Day, Veterans Day).

Some customers use agents to deposit mail. Since we do not know how your company handles its mail, we are alerting you of our concern. All permit imprint and presort rate mailings must be presented to a postal employee for acceptance. If you did present your mail to a postal employee, please contact me at (291-5555) so I may gather information to personally resolve this matter. If you have any questions, please call (291-5557).

I appreciate your cooperation.

Sincerely,

John J. Doe
Manager, Business Mail Entry

Enclosure

bcc: Manager, Marketing
Supervisor, Business Mail Entry

1234 ANYTOWN DRIVE
ANYTOWN ST 60606-0606
(213) 291-5555
Fax: (213) 291-5557

Exhibit 2-9

Sample for Revenue Loss for Distribution Center

Manager, Business Mail Entry
Anytown Performance Cluster



September 28, 2003

MEMORANDUM FOR: Manager, Motor Vehicle Service
Manager, Processing and Distribution Center
Manager, Linwood Station

SUBJECT: Potential Loss of Revenue, Bypass Mailing

On September 7th, the Business Mail Entry Unit (BMEU) did not receive the GPMC from Linwood Station that is specially flagged to go via MVS to the BMEU. It is of great importance that this cage go directly to the BMEU. It contains mailings that must be verified and mailing statements which act as an invoice to debit a mailer's account.

Mailings in a GPMC that bypass the BMEU could be very costly for operations. Unverified mailings could be sorted and labeled incorrectly, causing unnecessary multiple handlings in the P&DC or at the delivery station prior to delivery.

Postage statements that bypass the BMEU could result in a serious loss of revenue if the mailer is never billed for these mailings. This revenue loss is a detriment to our cluster's performance.

Each of your three units has specific responsibilities for proper execution of certain elements in the procedure that allows mailers to use some of our stations as convenience deposit points. The station must properly flag the GPMC before allowing it to be dispatched, MVS must be sure to pass it off directly to a mailhandler reporting "this is the cage for the BMEU," and the mailhandler must take it immediately to the BMEU. The more people involved with an activity, the greater the likelihood of an error occurring. When the procedures fail, it is also more difficult to determine the person responsible for the breakdown. Therefore, I request that from now on, the MVS drivers be instructed to take the GPMC cages directly to the BMEU.

Immediate action must be taken in each of your respective operations to ensure that the proper procedures are being followed. Please advise me if you require any further assistance in this matter.

John W. Doe
Manager, Business Mail Entry

cc: Manager, Distribution Operations T-3
Manager, Marketing

1234 ANYTOWN DRIVE
ANYTOWN ST 60606-0606
(213) 291-5555
Fax: (213) 291-5557

Exhibit 2-10

Sample for Revenue Loss for Operations

Manager, Business Mail Entry
Anytown Performance Cluster



September 28, 2003

MEMORANDUM FOR: Manager, Distribution Operations T-3

SUBJECT: Potential Loss of Revenue, Bypass Mailing

On September 7th, on Tour III, at approximately 1900 hours, some mailings were removed from a BMEU staging area and entered into mail processing. These mailings were pending verification (or, being held for mailer's corrections as appropriate).

It is of great importance that mailhandlers remove only properly tagged mailings that are accompanied by PS Form 3607, *Weighing and Dispatch Certificate*, from the designated and marked staging area for "released" mailings. Mail in other staging areas must not be removed as they are awaiting verification or final acceptance.

Mailings and accompanying postage statements that bypass the BMEU because of inadvertent dispatch can be very costly for our operations. The mailing could be sorted and labeled incorrectly causing unnecessary handlings. The postage statement that bypasses the BMEU may never be billed to the customer's account. This revenue loss is serious and detrimental to our facility's performance.

Immediate action must be taken by those managers responsible for the unit that made this error to ensure that the proper procedures are being followed. I will be happy to provide any necessary clarification of procedures.

John W. Doe
Manager, Business Mail Entry

cc: Manager, Anytown Processing & Distribution Center
Manager, Marketing

1234 ANYTOWN DRIVE
ANYTOWN ST 60606-0606
(213) 291-5555
Fax: (213) 291-5557

Chapter 3 — Verification

Exhibit 3-1 (page 1 of 21)

Initial and In-Depth Verification Checklist

Section 1 — Initial Verification Procedures	
<p>1) Mail Arrival Check-in</p>	<p>Acceptance employees must Check-In all business mailings submitted for verification and acceptance upon arrival. Mailings must be Checked-In according to the Electronic and Hard-copy processes identified in Section 3-1.2, Check-In.</p>
<p>2) Review the Postage Statement</p>	<p>a. Non-<i>PostalOne!</i> acceptance employees should record the date and time of arrival in the upper right corner of the postage statement. Never round date this or any other section of a postage statement to indicate date and time of mail arrival.</p> <p>Note: For Electronic Documentation (eDoc) postage statements, acceptance employees or mailers are not required to record the time that mail arrived. Electronic documentation is automatically date stamped by the <i>PostalOne!</i> System.</p> <p>b. Ensure the Mailer section of the postage statement is complete and accurate. Mailers are required to complete all applicable blocks in the Mailer, Mailing, and Postage sections of the postage statement and sign and date the Certification section. Verify that mailers have indicated a Move Update method for First Class Mail or Standard Mail mailings.</p> <p>Non-PostalOne! Site Note: If the mailer fails to complete all applicable sections of the postage statement and/or the mailer incorrectly completes these sections, the acceptance employee is responsible for obtaining the missing and/or correct information.</p> <p>Note: For electronic postage statements, mailers are not required to sign and date the postage statement; however, all required fields must be complete.</p> <p>c. The acceptance employee is NOT required to complete missing information or correct inaccurate information in the mailer's sections. Rather, the acceptance employee must document the information as applicable in the <i>PostalOne!</i> system.</p> <p>Note: For Postal Wizard (PW) users, the acceptance employee can record any changes directly to the electronic postage statement and then validate changes with the mailer.</p> <p>Note: If the mailing cannot be verified immediately, stage the mailing for verification based on mail type. See Section 2-2, Mailflow.</p>

Initial and In-Depth Verification Checklist

<p>3) Review the Mailer's Account</p>	<p>The acceptance employee must review the mailer's account to verify that appropriate fees have been paid and sufficient funds are available. Review the mailers account by entering the permit number from the postage statement in <i>PostalOne!</i>, and view the "Balance and Fees" screen to verify the following:</p> <ul style="list-style-type: none"> a) If the mailer submits a hardcopy postage statement, check to see if the mailer submitted the postage statement electronically, in the <i>PostalOne!</i> Dashboard. If the mailer has submitted a postage statement electronically, do not enter in the information from the hardcopy postage statement in <i>PostalOne!</i>. Use the electronic postage statement for acceptance and verification of the mail. b) Permit number on the mailpieces matches the postage statement. c) Sufficient funds are available on deposit for all mailings paid from an account: <ul style="list-style-type: none"> i) If funds are not available and the customer has left the BMEU, the acceptance employee must notify the mailer and obtain the appropriate funds. Stage the mailing for verification based on mail type. See Section 2-2, Mailflow. ii) If funds are not available and the customer is still present, do NOT accept or hold the mail. d) Mailing fees and authorizations are current (i.e., annual presort fee has been paid). e) Mailers claiming Nonprofit Standard Mail prices must have a permit record with the correct authorization number to match the mailer's authorization record. f) If an eMIR report dialogue box appears, examine mailing submitted for any similar preparation characteristics as identified in the mailing reported in the eMIR. If it is the same type of mailing inspect the mailing to see that the mailer has "resolved" the reported deficiency. If the deficiency is resolved complete the eMIR. If the issue is not resolved perform an In-Depth verification. <p>Note: The <i>PostalOne!</i> system determines if the mailer is scheduled for In-Depth Verification as indicated when entering postage statement information on page two in <i>PostalOne!</i>, or if the mailing fails Initial Verification. See DM-109 Section 3-5 <i>PostalOne!</i> PBV In-Depth Verification Procedures.</p>
<p>4) Review Required Supporting Documentation</p>	<ul style="list-style-type: none"> a) Verify that proper supporting documentation is submitted based on the mailing type (e.g., postage statement, USPS Qualification Report): <ul style="list-style-type: none"> ii) If the mailing is a Special Postage Payment Systems (SPPS) mailing, see DM-109 Chapter 9, <i>Special Postage Payment Systems</i>, for specific verification procedures. b) Verify that the total piece count by line item on the postage statement matches the figures for each price category reported in the USPS Qualification Report. <p>Note: When submitting a postage statement electronically, the mailer may submit either hardcopy or electronic supporting documentation submitted via the <i>PostalOne!</i> Dashboard.</p>

Exhibit 3-1 (page 3 of 21)

Initial and In-Depth Verification Checklist

<p>5) Perform a Mailing Inspection</p>	<p>Perform an Cursory Review of the mailing by verifying the following:</p> <ul style="list-style-type: none"> a) Container integrity; b) Proper container labeling; c) Delivery address; and, d) Contents match destination and sortation. <p>Note: If any errors are identified in this review, the acceptance employee must conduct and In-Depth Verification.</p>
<p>6) Examine Mailpieces</p>	<p>Determine if mailpieces are mailable under DMM Section 601, <i>Mailability</i>, by verifying mailpieces for:</p> <ul style="list-style-type: none"> a) <i>Content</i> - For all mailings (except First-Class) determine mail eligibility by opening at least one piece of mail and then verify for content eligibility (see DM-109 Exhibit 3-2, <i>Determining Standard Mail Eligibility</i>. For mailers claiming Nonprofit Standard mailing prices, see DM-109 Section 6-1, <i>Nonprofit Standard Mail Eligibility</i> for determining eligibility. b) <i>Processing Category</i> - Determine if the correct mail processing category was claimed on the postage statement. c) <i>Machinable Criteria</i> - Determine if mailpieces meet any nonmachinable criteria requiring payment of the applicable nonmachinable surcharge. d) <i>Postage Payment Method</i> — Verify that the postage payment method meets format and legibility requirements. <p><i>Markings/ Endorsements</i> — Review mailpieces for appropriate markings, endorsements, and coding for services requested and prices claimed.</p>

Exhibit 3-1 (page 4 of 21)

Initial and In-Depth Verification Checklist**Section 2 — In-Depth Verification Procedures**

The acceptance employee must perform the following In-Depth Verification procedures when indicated in *PostalOne!* PBV. When the acceptance employee deems necessary, these procedures may also be performed as a voluntary verification.

7) Weight Verification	<p>Weigh identical weight permit imprint mailings and verify the piece count. Mailings containing multiple price categories submitted without supporting documentation (i.e., USPS Qualification Report) must be weight verified by price category.</p> <p>Note: For both MERLIN and non-MERLIN sites, acceptance employees must perform weight verification procedures manually.</p> <p>Note: For SPPS no weight verification is required unless it is part of the BMS SOP</p>
Steps	Weight and Piece Count Verification Procedures
Single Piece Weight (average)	Select at least 10 identical pieces to weigh from different parts of the mailing and obtain the average weight of a single mailpiece in ounces and/or pounds.
Gross Weight	Place the complete mailing on the scale to obtain gross weight. If the mail is in a container, the tare weight is required.
Tare Weight	<p>Tare weight of the mailing containers or price level (i.e., trays, sacks, pallets, and rolling stock) can be found in the following locations:</p> <ol style="list-style-type: none"> The weight of a USPS container may be marked directly on the container. If the weight is marked, use the weight provided. The weight of the container may not be provided. If the weight is not marked, weigh the empty container on the scale and record weight. For USPS containers that do not have the weight marked on the container, use the average tare weight on the USPS website. <p>Note: If tare weights are not available, the mailer should pre-weigh and mark the weight on the containers, prior to submitting the mail to the acceptance site.</p>
Net Weight	Gross Weight – Tare Weight = Net Weight.
Piece Count	Net Weight/Single Piece Weight = Piece Count.

Exhibit 3-1 (page 5 of 21)

Initial and In-Depth Verification Checklist

<p>Verify Postage Statement Count</p>	<p>Compare the calculated piece count to the mailer piece count provided on the postage statement and apply the following:</p> <ul style="list-style-type: none"> e) If there is a discrepancy of great than 1%, recalculate the single piece count weight. f) After recalculation, if variance is still greater than the 1% tare correction, apply the tare correction factor of 10% using PS Form 8040. g) After the applying the tare correction, if the variance is still greater than the 1% tolerance allowance, re-weigh the mailing to confirm original figures. h) After re-weighing the mail, if the piece count is still out-of-tolerance, notify the mailer and follow the procedures outlined in Step 17, Verification Errors.” <p>Note: Tare correction is a practical way to compensate for the variable tare weights of trays, sacks, and containers and allows a correction factor for tare weight. As noted above, acceptance employees must use a correction factor of $\pm 10\%$ (or $\pm 1.1\%$) for the mixture or poor condition of equipment.</p> <p>Note: For meter stamp mailings, only the price levels with less than full postage affixed are required for weight and piece count verification.</p> <p>Non-Identical Weight Mailings</p> <ul style="list-style-type: none"> a) There are no weighing procedures for accurately determining piece count for non identical-weight mailings. These mailings are usually paid with postage affixed (precancelled stamps or postage meter strips) unless the mailer has an SPPS agreement authorized by the Postal Service. b) SPPS mailings must be verified according to specific guidelines established in authorization agreements between USPS, as well as specific USPS guidance on SPPS mailings (see DM-109 Chapter 9, <i>Special Postage Payment Systems</i>). Postage affixed mailings may be weighed for total weight at the discretion of the BMEU, local Retail/AO unit, or DMU.
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Initial and In-Depth Verification Checklist

8) Bundle Preparation	<p>Acceptance employees must ensure that all bundles are properly prepared, when applicable (see DM-109 Exhibit 3-5, <i>Verification Procedures Flat-Size Mail Bundle Preparation</i>). The acceptance employee can access the electronic worksheet by right-clicking on the “clipboard” icon in the header of the “Verification Results” section in <i>PostalOne!</i>. Access the electronic worksheet instructions by right clicking on the “?” icon in the header of the “Verification Results” section.</p> <p>Note: For both MERLIN and non-MERLIN sites, acceptance employees must perform bundle preparation procedures manually.</p> <p>Verification Procedures Flat-Size Mail Bundle Preparation</p> <p>The following bundle verification procedures are effective on April 30, 2006</p> <p><u>Standards for the preparation of bundles are contained in DMM 345, 365, 375, 385, 705.8, 707.19.</u></p> <p>Verification Process</p> <p>A cursory review is conducted on all mailings not scheduled for an in-depth verification.</p> <p>An in-depth verification is performed when scheduled by <i>PostalOne!</i> or when triggered by errors noted in a cursory review.</p> <p>An in-depth verification will include a bundle preparation verification. Bundles include Standard Mail, Periodicals Mail, Bound Printed Matter, Library and Media Mail flats.</p> <p>Bundles selected for MERLIN verification may be used. Bundle preparation issues must be resolved with mailer before processing on MERLIN. The MERLIN verification will be performed after the bundle verification.</p> <p>Bundles selected for a manual presort verification may be used for the bundle preparation verification.</p> <p>The PS Form 2866, Presort Verification Record, will no longer be used to record bundle verification results or calculate bundle verification additional postage.</p> <p>Sample Selection</p> <ol style="list-style-type: none"> 1. Randomly select bundles from mailing for verification sample based on the table below. <table border="1" style="margin-left: 20px;"> <thead> <tr> <th style="text-align: center;">Total Pieces in Mailing</th> <th style="text-align: center;">Number of Bundles for Sample</th> </tr> </thead> <tbody> <tr> <td style="text-align: center;">< 50,000</td> <td style="text-align: center;">20</td> </tr> <tr> <td style="text-align: center;">50,001 – 250,000</td> <td style="text-align: center;">25</td> </tr> <tr> <td style="text-align: center;">More than 250,000</td> <td style="text-align: center;">30</td> </tr> </tbody> </table> 2. If mailing contains less than minimum number of bundles for sample, review all bundles. 3. If mailing is in sacks, randomly select an adequate number of sacks to collect required number of bundles. Sacks must be dumped out to evaluate bundle preparation. 4. If bundles are on pallets, select three pallets and randomly select bundles from top, middle and bottom of each pallet. 5. A bundle will only be counted as a single error. For example, if a bundle is not secured properly and the address is not readable then it is only counted as one bundle error. 	Total Pieces in Mailing	Number of Bundles for Sample	< 50,000	20	50,001 – 250,000	25	More than 250,000	30
Total Pieces in Mailing	Number of Bundles for Sample								
< 50,000	20								
50,001 – 250,000	25								
More than 250,000	30								

Exhibit 3-1 (page 7 of 21)

Initial and In-Depth Verification Checklist

Bundles must be reviewed for compliance with DMM standards in 345, 365, 375, 385, 705.8, 707.19.

Address visibility review:

6. In evaluating the bundle, place the bundle on a flat surface with adequate lighting and review the address from a normal reading distance.
7. Review each bundle for compliance with DMM standards for visibility and readability. The address information including the OEL and the barcode must be visible and readable by the naked eye. Common errors:
 - 7a. Strapping, banding or facing slips placed over address (clear, smooth strapping is acceptable)
 - 7b. Crinkled or excess shrinkwrap or seam over address
8. Record bundles on Bundle Verification Worksheet

Note: Procedures for the visibility of the address on the top piece of the bundle do not apply to bundles of letter size mail, First-Class flat-size mail, Customized Market Mail, bundles placed in 5-digit or 5-digit scheme sacks or pallets, carrier route bundles entered at a destination delivery unit, or flats prepared in letter trays under DMM Section 345.

Bundle preparation review:

1. Review each bundle for compliance with DMM standards for securing bundles.

Common errors:
 - Loose banding (string, straps, etc.)
 - Poor use of rubber bands
 - Poor shrinkwrap quality (torn, loose, not covering corners of open end)
 - Pieces shifting excessively within bundle
 2. Record bundles on Bundle Verification Worksheet
-

Initial and In-Depth Verification Checklist

Disposition

1. If 20% or less of the bundles sampled are found with errors, advise the mailer of any errors found and proceed with acceptance of the mailing.
 2. If more than 20% of the bundles (e.g. 7 out of 30 bundles sampled) do not meet the bundle address visibility or bundle preparation standards, additional postage will be calculated using the **Bundle Verification Adjustment Worksheets for Periodicals or Standard Mail**. Mailings of presorted Bound Printed Matter, Library Mail or Media mail will be recalculated at the applicable the Nonpresorted Bound Printed Matter, Library or Media Mail price. The bundle verification adjustment worksheet is an Excel spreadsheet available through the manager, business mail entry or on the BMA web page
 3. Advise the mailer of the option to retrieve the mailing for rework or pay the additional postage
 4. Since bundle preparation including the visibility of the address has minimal impact when mailings are entered at a DDU, pieces entered at a DDU will not be considered in the additional postage calculation
 5. Since bundles placed in 5-digit or 5-digit scheme sacks or pallets, or carrier route bundles entered at a destination delivery units are exempt from the standard for visibility of the address on the top piece of the bundle, if only visibility errors are found within a mailing and the mailer can document the number of pieces on the specific exempt pallets, then the additional postage calculation must be adjusted to reduce those exempt pieces from the total number of pieces
 6. Enter any additional postage collected or cost avoidance into *PostalOne!*.
-

Exhibit 3-1 (page 9 of 21)

Initial and In-Depth Verification Checklist**9) Tap Test**

Manually examine window envelopes to determine whether barcodes meet minimum visibility requirements (see DM-109 Exhibit 3-4, *Performing a Tap Test*). The acceptance employee can access the electronic worksheet by right-clicking on the “clipboard” icon in the header of the “Verification Results” section in *PostalOne!*. Access the electronic worksheet instructions by right clicking on the “?” icon in the header of the “Verification Results” section.

Note: For both MERLIN and non-MERLIN sites, acceptance employees must perform the tap test procedures manually.

Standard Operating Procedures for Performing Tap Test on Window Envelopes with Barcode in the Window Area

Insert “shift” within mailpieces prepared with window envelopes can adversely affect barcode readability. Therefore, verification must be performed on all letter-size AND flat-size pieces that have barcodes appearing through windows. Following are the correct procedures to perform this verification.

Note: Deployment of MERLIN does not negate this procedure.

Randomly select 10 window envelopes from throughout the mailing. For mailings containing both window and regular envelopes, if 10 window envelopes are not obtained from within the first 50 pieces pulled, then the barcode window verification is not performed.

Vertical Shift

Tap each individual mailpiece twice on a flat horizontal surface on its bottom edge (the edge parallel to the address as read). Check to be sure that a clear space of at least 1/25 inch appears between the top edges of the barcode and the top edge of the window of each piece *without tapping/shaking the mailpiece upside down*. Next, check to ensure that a clear space of at least 1/25 inch appears between the bottom edges of the barcode and the bottom of the window.

Note: If there is an information line above or below the barcode, there must also be a minimum of 1/25 inch clearance between the barcode and the information line text.

Horizontal Shift

Tap each mailpiece separately on its left and right edges to jog the insert as far left and/or right as possible. Two taps are sufficient. Check to ensure that at least a 1/8 inch clear space appears between the left and right edges of the barcodes and the window's edge, as appropriate.

Helpful Hints

- a) If needed, use Notice 67, *Automation Template*, or Item 04A, Delivery Point Postnet Barcode Gauge, to confirm the measurements noted above.
- b) Letter-size pieces with a delivery point barcode in the lower right corner are not subject to this procedure.
- c) If the mailing fails the barcode window verification, charge the Nonautomation Presorted First-Class price or Nonautomation Standard Mail Letter or Flat price, as appropriate. **Note:** No corrections, changing tray labels, or other rework by the mailer is required.

Disposition

If no more than one piece fails, the mailing passes the barcode window verification. If two pieces fail, repeat the test on 10 additional barcode window envelopes.

If three or more pieces fail at anytime during the test (after the first ten or a total of 20), do not accept the mailing at barcoded prices.

Initial and In-Depth Verification Checklist

	<p>Tap Test for a Combined/Value Added Refund Mailing</p> <p>Follow the same procedures for conducting a tap test for non-identical weight mailing submitted under the terms of a Combined/Value Added Refund (VAR) postage payment system.</p> <p>These types of mailing, however, are unique in that they contain multiple types of addressed/barcoded pieces. This means it is possible that only a single type of mailpiece in the mailing may be address block barcoded in a window envelope. If those pieces failed the tap, they would be the only pieces in the mailing that would not meet automation standards relative to the tap test.</p> <p>Follow these procedures when pieces in a Combined/VAR mailing fail a tap test:</p> <ol style="list-style-type: none">a) Inform the mailer of the finding and that for the mail to be accepted, the non-automation prices will apply to the entire mailing or that they can take the mailing back, remove the non-compliant pieces, and resubmit the mailing for re-verification.b) If the mailer chooses to pay the nonautomation prices, inform the mailer that they have the right to appeal the decision within 90 days if they can show by documentation and by confirmation of the acceptance employee at the time of the mailing, that the only pieces in the mailing that failed the tap test is one specific type of envelope from one specific client. (Multiple envelopes from one or more clients failing the tap test will be regarded as a complete failure of the mailer's quality control process, and an appeal is not valid.)c) The mailer will submit their appeal to the district manager of Business Mail Entry who will review for completeness and forward to the manager of Business Mailer Support, USPS Headquarters.d) The manager of Business Mail Support, USPS Headquarters will review the appeal and determine if the appeal is valid. If the appeal is upheld, the mailer will be entitled to a refund for the all the pieces paid at the nonautomation price that were not the mailpiece type that failed the tap test.
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Initial and In-Depth Verification Checklist

10) Manual Barcode Quality Review	<p>If MERLIN is not available or if the mail is not compatible with MERLIN, the acceptance employee must perform the following procedures manually to verify barcode quality:</p> <p>The acceptance employee must perform the barcode quality review to verify the preprinted delivery point barcode for letter-size mail, ZIP+4 code, or delivery point barcode for flat-size mail. Enter any errors detected on the electronic worksheet in <i>PostalOne!</i>. The acceptance employee can access the electronic worksheet by right-clicking on the “clipboard” icon in the header of the “Verification Results” section in <i>PostalOne!</i>. Access the electronic worksheet instructions by right clicking on the “?” icon in the header of the “Verification Results” section.</p> <p>Note: For non-MERLIN sites, conduct the review manually. This manual review is not required when MERLIN is used to perform the review.</p>
Tests	Barcode Quality Review Procedures
Barcode First Review	<p>Select three trays/sacks of mail from various parts of the mailing. Select 10 sample mailpieces from one tray/sack and perform the following to inspect mailpiece barcodes:</p> <ul style="list-style-type: none"> a) Automation Rate Barcode - Visually check letter-size automation pieces to verify that delivery point barcodes are complete (each barcode has 65 bars). Visually check flat-size automation pieces to verify that delivery point or ZIP+4 barcodes are complete (each barcode has 52 bars). b) Check Barcode Location — Verify that pre-printed barcodes are positioned correctly on mailpieces. Use Notice 67, <i>Automation Template</i> to perform sample mailpiece review. See DMM Section 202.5, <i>Barcode Placement</i>. c) Dimension and Spacing - Visually check barcodes to verify that mailpieces meet the standards for barcode dimensions and spacing according to DMM Section 708.4.0, <i>POSTNET and Intelligent Mail Barcodes</i>. (Use Automation Gauge, Model 007.) d) Skew and Baseline Shift — Verify that mailpiece barcodes do not slant or tilt. See DMM Section 708.4.5, <i>Skew and Baseline Shift</i> for Discount Letters for guidance on barcode slant or tilt. e) Smearred Barcodes — Verify that barcodes do not overlap due to barcode smearing. <p>If two or more pieces fail, proceed to Barcode Second Review.</p>
Barcode Second Review	<p>Select 10 pieces from another tray/sack and visually inspect the barcodes following the procedures in the Barcode First Review. If two or more samples fail, proceed to Barcode Third Review.</p>

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Initial and In-Depth Verification Checklist

<p>Barcode Third Review</p>	<p>Select 30 pieces from the last tray/sack and visually inspect the barcodes following the procedures in the Barcode First Review. If three or more pieces fail, use the postage adjustment worksheet to calculate the adjustment. See DM-109 Exhibit 3-11, <i>Barcode Adjustment Worksheets and Instructions — Non-MERLIN Sites</i>.</p> <p>Note: For Mailer ID and Intelligent Mail Barcode mailings, these mailings are not MERLIN compatible. Errors identified on MERLIN must be reported to the BMEU supervisor or postmaster and MDA.</p>						
<p>90% Threshold — Barcode readability</p>	<p>90% Threshold — Barcode readability</p> <p>If mailings do not fall within barcode quality tolerance levels during verification, the acceptance employee must adjust the prices claimed according to DM-109 Table 3-5.7.2, <i>90% Threshold — Barcode Readability</i>.</p> <p>For non-MERLIN sites, use DM-109 Exhibit 3-13, <i>Barcode Adjustment Worksheets and Instructions — Non-MERLIN Sites</i>, use the Manual barcode verification worksheet in <i>PostalOne!</i> to determine if the mailing passes or fails and if the mailing fails to calculate additional postage. The chart below is a description of how <i>PostalOne!</i> will determine and calculate the additional postage.</p> <table border="1" data-bbox="560 892 1429 1029"> <thead> <tr> <th>Percentage</th> <th>Procedures</th> </tr> </thead> <tbody> <tr> <td>90 to 100%</td> <td>No adjustment required.</td> </tr> <tr> <td>Below 90%</td> <td>The mailing no longer qualifies for automation prices, nonautomation prices must be applied.</td> </tr> </tbody> </table> <p>Note: For <i>PostalOne!</i> sites, MERLIN will interface with <i>PostalOne!</i> to adjust postage amount automatically.</p>	Percentage	Procedures	90 to 100%	No adjustment required.	Below 90%	The mailing no longer qualifies for automation prices, nonautomation prices must be applied.
Percentage	Procedures						
90 to 100%	No adjustment required.						
Below 90%	The mailing no longer qualifies for automation prices, nonautomation prices must be applied.						

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Initial and In-Depth Verification Checklist

<p>11) Manual Mailpiece Automation Compliance Review</p>	<p>The acceptance employee must review automation price mailings to verify that mailings are eligible for automation prices that are claimed based on physical standards, address quality, and coding standards (see DM-109 Section 3-5.6, <i>Conduct an Automation Mail Compliance Review</i>).</p> <p>Note: For non-MERLIN sites, conduct the review manually. This manual review is not required when MERLIN is used to perform the review.</p> <p>Note: For both MERLIN and non-MERLIN sites, confirm that the date of the CASS report on the postage statement is within 90 days prior to the actual date of mailing.</p> <p>Conduct an Automation Mail Compliance Review</p> <p>An acceptance employee may use MERLIN to perform an Automation Mail Compliance Review. Automation price mailings must be prepared in accordance with specific preparation standards described in the DMM. To ensure that mailings meet these standards, verify automated mailings through a Mailpiece Automation Compliance Review and a Barcode Quality Review.</p> <p>If there are findings during the automation mail compliance review, inform the mailer of errors identified, provide feedback on root causes of errors and corrective measures, and obtain disposition.</p> <p>Note: For non-MERLIN sites, acceptance employees must performance all automation compliance reviews manually using applicable templates, DMM specifications, PS Forms, and worksheets.</p> <p>Mailpiece Automation Compliance Review</p> <p>Automation price mailings must be reviewed to verify that the mailing is eligible for automation prices based on Physical Standards and Address Quality and Coding Standards.</p> <p>Physical Standards</p> <p>If MERLIN is not available or if the mailing is not compatible with MERLIN, manually review sample mailpieces to verify that the class of mail and mailpiece shape is eligible for automation prices, based on the following:</p> <ol style="list-style-type: none"> a) Shape and size (Use Notice 3-A, <i>Letter-Size Mail Dimensional Standards Template</i> for letter-sized mail or Notice 3-S <i>First-Class Mail Shape-Based Pricing Template</i> for flat-sized mail, to determine height, length, and aspect ratio). b) Thickness (see DM-109 Exhibit 3-14, <i>Determining Mailpiece Minimum Thickness</i>). c) Maximum weight for the class of mail and mailpiece shape being reviewed as required by the DMM. d) Tab or wafer seal placement requirements, if letter-size mail (see DMM Section 201.1.0, <i>Physical Standards for Machinable Letters and Cards</i>, and DMM Section 301.3.5, <i>Tabs, Wafer Seals, Tape, and Glue</i>). e) Polywrap requirements, if flat-size mail (see DMM Section 301.3, <i>Physical Standards for Automation Flats</i>). f) Flexibility (see DM-109 Exhibit 3-15, <i>Determining Flexibility for Flats</i>) and uniform thickness for all flats and deflection requirements for 100 pieces of automated flat-sized mail (see DMM Section 301.3, <i>Physical Standards for Automation Flats</i>). g) If the mailpiece does not meet all physical standards for automation mail, do NOT accept the mailing at automation prices: <ol style="list-style-type: none"> i) Contact the mailer and inform them of possible disqualification for automation mail prices. The mailer may elect to rework the mailing. ii) If the mailer elects to pay nonautomation prices, follow the procedures in Step 17, Verification Errors.
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Initial and In-Depth Verification Checklist

Address Quality and Coding Standards

Automation prices mail may be produced using systems that are CASS or Multiline Accuracy Support System (MASS™)-certified for verifying delivery addresses. Mailers may also use address correction software that is CASS-certified. For a full listing of delivery point and carrier route methods, see DMM Section 708.3.0, *Coding Accuracy Support System (CASS)*.

The mailer is required to report the date of address matching and coding on the postage statement. If address verification was performed using multiple lists, the mailer has to provide the earliest date of address-matching and coding. The mailer is not required to present PS Form 3553 at the time of mailing; however the mailer must retain this document as supporting documentation for one year. The Postal Service may request PS Form 3553 from the mailer during this time period.

The acceptance employee must review the postage statement to verify that the address matching and coding date is via current CASS-certified software and the current USPS database. Coding must be done within 90 days before the mailing date for all carrier route mailings and within 180 days before the mailing date for all non-carrier route automation price mailings.

Additionally, mailers claiming presort or automation rates for First-Class Mail and — as of November 2008 — Standard Mail, must demonstrate that they have updated the addresses in lists within 95 days of the mailing. The Postal Service offers four methods for move update, as followings:

- ACS™ Service
- Ancillary Service Endorsements
- FASTforward® System
- NCOALink® Systems.

For more information, see Publication 363, *Move Update*, which is available at http://ribbs.usps.gov/move_update/documents/tech_guides/PUB_363_January_2009.doc.

Mailpiece Automation Results

If errors are identified during the Mailpiece Automation Compliance reviews, adjust the postage statement and follow the procedures outlined in Step 17, Verification Errors.

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Initial and In-Depth Verification Checklist

12) Metered First-Class Mail Shortpaid	<p>If the mailing is metered First-Class Mail items, perform short-paid meter sampling (see DM-109 Exhibit 3-3, <i>PS Form 6116, First-Class Metered Mail Shortpaid Sampling Worksheet</i>). Enter results into the “Verification Results” section of <i>PostalOne!</i> and use the electronic worksheet to record sampling information. The acceptance employee can access the electronic worksheet by right-clicking on the “clipboard” icon in the header of the “Verification Results” section in <i>PostalOne!</i>. Access the electronic worksheet instructions by right clicking on the “?” icon in the header of the “Verification Results” section.</p> <p>Note: For both MERLIN and non-MERLIN sites, acceptance employees must perform Metered First-Class Mail — Shortpaid Worksheet manually.</p> <p>Instructions for completing manual PS Form 6116 <i>First-Class Metered Mail Shortpaid Sampling Worksheet</i> are on the back of the form (see DM-109 Exhibit 3-3).</p>
13) Perform Mailpiece Count Verification (MPCV)	<p>The acceptance employee must verify that permit imprint and metered mailpieces have the proper postage affixed. The acceptance employee must complete the following applicable manual worksheets obtained from Business Mailer Support (BMS):</p> <ul style="list-style-type: none"> ▪ DM-109 Exhibit 3-7, <i>SOPs for Verifying Piece Counts</i> ▪ DM-109 Exhibit 3-8, <i>Standard Mail Piece Worksheet (letters)</i> ▪ DM-109 Exhibit 3-9, <i>First-Class Mail Piece Count Worksheet</i> <p>Note: For both MERLIN and non-MERLIN sites, acceptance employees must perform the MPCV manually.</p>
Quarterly Accuracy Worksheet	<p>Your BMS analyst will provide a worksheet to record entries and verification performed each day on a Combined and or Value Added Refund mailer.</p>

Initial and In-Depth Verification Checklist

<p>14) MERLIN Verification</p>	<p>MERLIN automates the barcode and presort verification process and electronically feeds results back to <i>PostalOne!</i>. The acceptance employee uses the Sample Selection Matrix in <i>PostalOne!</i> to select samples. At sites with the MERLIN machine, verify on MERLIN any mailpieces that are physically compatible with MERLIN.</p> <p>Standard Operating Procedures for MERLIN Startup, Mailing Verification and Printing Reports</p> <p>Sample Selection</p> <ol style="list-style-type: none"> 1. Review mailer documentation to determine the number of containers needed for a required sampling 2. Use the Random Generator List to select samples for testing (must be current date/tour) 3. Stage samples on cart according to the Random Generator List <p style="text-align: center;"><u>VERIFICATION REQUIREMENTS</u></p> <p>MERLIN Verification</p> <ol style="list-style-type: none"> 1. Enter postage statement information 2. Ensure proper mailpiece orientation 3. Use the ID template to determine the appropriate print location for the mailpiece ID number 4. Check the first few pieces fed to see if the ID number is printed legibly <p style="text-align: center;"><u>AFTER THE VERIFICATION</u></p> <p>Summary Report</p> <ol style="list-style-type: none"> 1. Print two copies of the MERLIN Summary Report at the completion of each test. Provide one copy to the mailer if requested. If there are error conditions reported in MERLIN, attach one copy to the postage statement. MERLIN will electronically store all MERLIN Summary Reports for 30 days. 2. On a weekly basis, MERLIN will automatically submit a weekly report to the MERLIN Maintenance and Operations Database (MMOD). The information contained in the report separately identifies MERLIN utilization for mailings of more than 10,000 pieces, and 10,000 pieces or less, for letters or flats. Below tolerance mailings are required to be finalized with the disposition, whether these mailings were accepted as recorded or accepted with adjusted values. The BME manager must monitor all MERLIN-sites and ensure units are achieving the set MERLIN goals. <p>Standard Operating Procedures for MERLIN Startup, Mailing Verification, and Reports</p> <p>Reports with Tolerances and Consequences</p> <ol style="list-style-type: none"> 1. Presort Verification - 5% 2. Barcode Readability - 10% (80% to 89% floating scale for tolerance) 3. Shortpaid Meter Mail (First-Class Mail only) - 5% 4. Weight Verification — plus 1% 5. Print and review individual reports when errors are detected
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Initial and In-Depth Verification Checklist

	<p>Exception Reports — Sortation and Shortpaid</p> <ol style="list-style-type: none"> 1. Contact the mailer about results of the verification and additional postage charges; provide them copies of specific reports. Advise mailer of their options for the following: retrieve mailing, rework the mailing, or pay additional postage. 2. Use the exception reports to validate errors and see Step 17, Verification Errors. <p>Barcode Readability Reports</p> <ol style="list-style-type: none"> 1. If the barcode readability verification results are less than 90% for letters and flats, select the postage adjustment worksheet screen; enter data, and print the <i>Barcode Readability Report and Barcode Readability Report Adjustment Worksheet</i> 2. Notify the Business Mail Entry supervisor (and postmaster, when applicable) of the results 3. Contact the mailer, explain the results of the verification and the additional postage charges and provide them copies of the readability reports and the adjustment worksheets <p>Barcode Readability Error Report</p> <ol style="list-style-type: none"> 1. Complete the <i>Barcode Readability Error Report Log and Disqualified Mail Log</i> <p>Duplicate Reports to the Mailer</p> <ol style="list-style-type: none"> 1. Summary Verification Report and If errors are noted 2. Sortation Exception Reports (Presort and Shortpaid Meter) 3. Barcode Readability & Barcode Readability Report Adjustment Worksheet 4. Mailpiece Diagnostics Reports if requested
<p>15) Manual Presort Verification</p>	<p>The acceptance employee uses PS Form 2866, <i>Presort Verification Record</i>, to record any error identified and to calculate error percentage. The acceptance employee uses the Sample Selection Matrix in <i>PostalOne!</i> to select samples.</p> <p>Instructions for completing manual PS Form 2866, <i>Presort Verification Record</i> are contained step-by-step within the form. (For the latest edition of PS Form 2866, go to http://blue.usps.gov/formmgmt/forms/ps2866.pdf.)</p>

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Initial and In-Depth Verification Checklist

<p>16) Verification of Manifest Mailings</p>	<p>Verify that permit imprint mailpieces are claimed at the proper rates by comparing information about individual pieces to information on the mailer's manifest. Complete the applicable worksheets according to the detailed instructions in Publication 401, <i>Guide to the Manifest Mailing System</i> (available at http://ribbs.usps.gov/mac/documents/tech_guides/PUBS/PUB_401.PDF).</p> <hr/> <p>Postage Sampling Forms located in Publication 401</p> <ul style="list-style-type: none"> ▪ Exhibit 16 <i>Batch Manifest Mailings—PS Form 8158</i> ▪ Exhibit 16A <i>PS Form 8158 — Instructions</i> ▪ Exhibit 17 <i>Itemized Manifest Mailings—PS Form 8159</i> ▪ Exhibit 17A <i>PS Form 8159 - Instructions</i> ▪ Exhibit 18 <i>Standard Mail Piece and Piece/Pound Price Mailings—PS Form 8160</i> ▪ Exhibit 18A <i>PS Form 8160 - Instructions</i> ▪ Exhibit 19 <i>Presorted and Carrier Route Bound Printed Matter Mailings—PS Form 8161</i> ▪ Exhibit 19A <i>PS Form 8161 - Instructions</i> <hr/> <p>Note: For mailers combining parcels in accordance with DMM 705, your BMS analyst will provide a sampling form when required.</p> <p>Acceptance employees must complete the following steps on every mailing:</p> <ol style="list-style-type: none"> a) Review each manifest for manual corrections to verify that the numbers on the summary and postage statements are properly adjusted. b) Compare manifest totals with manifest summary and postage statement(s). c) Retain a copy of the sampling/postage adjustment worksheet and the postage statement in the administrative file and provide a copy of these to the mailer if a scheduled postage sampling shows that the accuracy level exceeds ±1.5 percent. d) Deduct the additional postage as an adjustment from the mailer's account if the postage total was adjusted. e) Scan the barcode on PS Form 3152, <i>Confirmation Services Certification</i>, for mailings using Confirmation Services. The PS Form 152 may be included on the manifest rather than as a separate form. f) Record required data on the Quarterly MMS Accuracy Worksheet (see DM-109 Chapter 9). g) If mail is accepted at a detached mail unit, ensure that verified mailings are not left unsecured before dispatch. (Exception: Not required for PVDS mailings.)
<p>Manifest Mail Quarterly Accuracy Worksheet</p>	<p>For <i>PostalOne!</i> sites, the clerks must input the number of manifest mailings presented each day in the electronic MMS Quarterly Accuracy Worksheet.</p>

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Initial and In-Depth Verification Checklist**Section 3 —Finalizing Verification Results****17) Verification Errors**

If errors are identified during any of the verification procedures (Steps 1 to 16) beyond established tolerances, record the finding(s) on PS Form 8075, *Mailer Notification Log for Disqualified Mailings* (DM-109 Exhibit 3-12, *PS Form 8075, Mailer Notification Log for Disqualified Mailing*) and hold the disqualified mail until the issues are resolved. After the mail is held, follow the procedures below:

- a) Inform the mailer of errors identified, provide feedback on root causes of errors and corrective measures, and obtain disposition. The mailer can either rework the mailing or pay additional postage.
- b) For hardcopy postage statements with piece count errors, the mailer must complete a new postage statement with appropriate prices and the acceptance employee must record the mailing information in the Disqualified Mail Log (if the mailer elects to pay additional postage).

Note: If the mailer is not able to provide a corrected postage statement, the acceptance employee must withdraw total postage from the mailer's postage due account, annotate that action in *PostalOne!* (the *USPS Use Only* section Non-*PostalOne!* sites only) with "Funds withdrawn from mailer's postage due account until mailer is able to produce corrected statement." Release the mail and when the mailer provides a corrected statement, the acceptance employee must perform a reversal of the postage due transaction and enter the corrected postage statement in *PostalOne!*.

- c) For all other errors, the acceptance employee must record applicable changes in *PostalOne!* (The *USPS Use Only* section of the postage statement Non-*PostalOne!* sites only) and record the mailing information in the disqualification log.

Note: For Postal Wizard users, the acceptance employee is able to make adjustments directly to the electronic postage statement.

- d) If no errors are identified during the verification procedures or if the mailer elects to pay additional postage, proceed to Step 18, *Approval of the Mail*.

Initial and In-Depth Verification Checklist

<p>18) Approval of the Mail</p>	<p>Acceptance employees must complete the following steps for mail acceptance:</p> <ul style="list-style-type: none"> a) Complete, sign and date the USPS Use Only section of the postage statement. (Non-<i>PostalOne!</i> sites only) Note: For electronically submitted postage statements, <i>PostalOne!</i> electronically signs and dates the postage statement when the acceptance employee submits and finalizes the postage statement. b) <i>PostalOne!</i> Sites: Enter postage statement information and verification results into <i>PostalOne!</i> immediately after completing verification and prior to releasing the mail into operations. c) Non-<i>PostalOne!</i> Sites: Input data from the postage statement in the manual ledger (PS Form 25 <i>Trust Fund Account</i>, PS Form 3609 <i>Record of Permit Imprint Mailings</i>, or PS Form 3543 <i>Record of Periodical Postage</i>) before releasing the mail into operations. d) If the mailer requests a record of the transaction, print PS Form 3607 <p>Exception: For DMUs not equipped with <i>PostalOne!</i>, postage statements must be entered in <i>PostalOne!</i> by no later than the close of business on the day the mailing was verified.</p> <p>Note: If the mailer submits a postage statement through eDoc methods, the acceptance employee is not required to print PS Form 3607, <i>Weighing and Dispatch Certificate</i>, as a receipt but may do so upon request. Mailers who request a receipt should be advised they are able to access the form through <i>PostalOne!</i>. However, the acceptance employee must print out PS Form 3607 and attach it to the mailing to clear the mail into operations.</p>
<p>19) Release the Mail into Operations</p>	<p>Acceptance employees must finalize the postage statement and perform the following to release the mail into mail operations:</p> <ul style="list-style-type: none"> a) PS Form 3607 must be attached to each mailing that has been cleared for operations. b) For mailings cleared at DMU sites, no clearance placarding is required on each mailing. However, for mailings that have been verified, finalized in <i>PostalOne!</i>, and loaded onto US Postal Service transportation, acceptance employees must seal, lock, and secure USPS vehicles with numbered seals upon load completion. <p>Exception: For <i>PostalOne!</i> sites processing combined mailings, no PS Form 3607 will be generated by <i>PostalOne!</i> when the master postage statement is finalized. PS Form 3607 must be completed manually, and acceptance employees must sign, print, indicate time, round date, and attach PS Form 3607 to each cleared mailing. PS Form 3607 is available online at: http://blue.usps.gov/formmgmt/foms/3607.pdf.</p> <p>Note: Mailhandlers will compare the information on PS Form 3607-P with the number of containers to be processed.</p>

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Initial and In-Depth Verification Checklist

20) Documentation Retention Requirements	<p>a) Postage statements must be retained for four years. All applicable worksheets and forms are not required to be attached to the postage statement, however are required to be retained in a secure location for 90 days and should be filed by month for identification purposes.</p> <p>b) For eDoc methods, <i>PostalOne!</i> retains electronic postage statements for four years. However, since <i>PostalOne!</i> contains or stores certain verification worksheets, refer to sections "Verification Worksheets Available in <i>PostalOne!</i>" and "Manual Verification Worksheets Unavailable in <i>PostalOne!</i>" for detailed procedures.</p> <p>Note: Hardcopy postage statements must be stored in a secure area with restricted public access.</p>
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Exhibit 3-2
Determining Standard Mail Eligibility

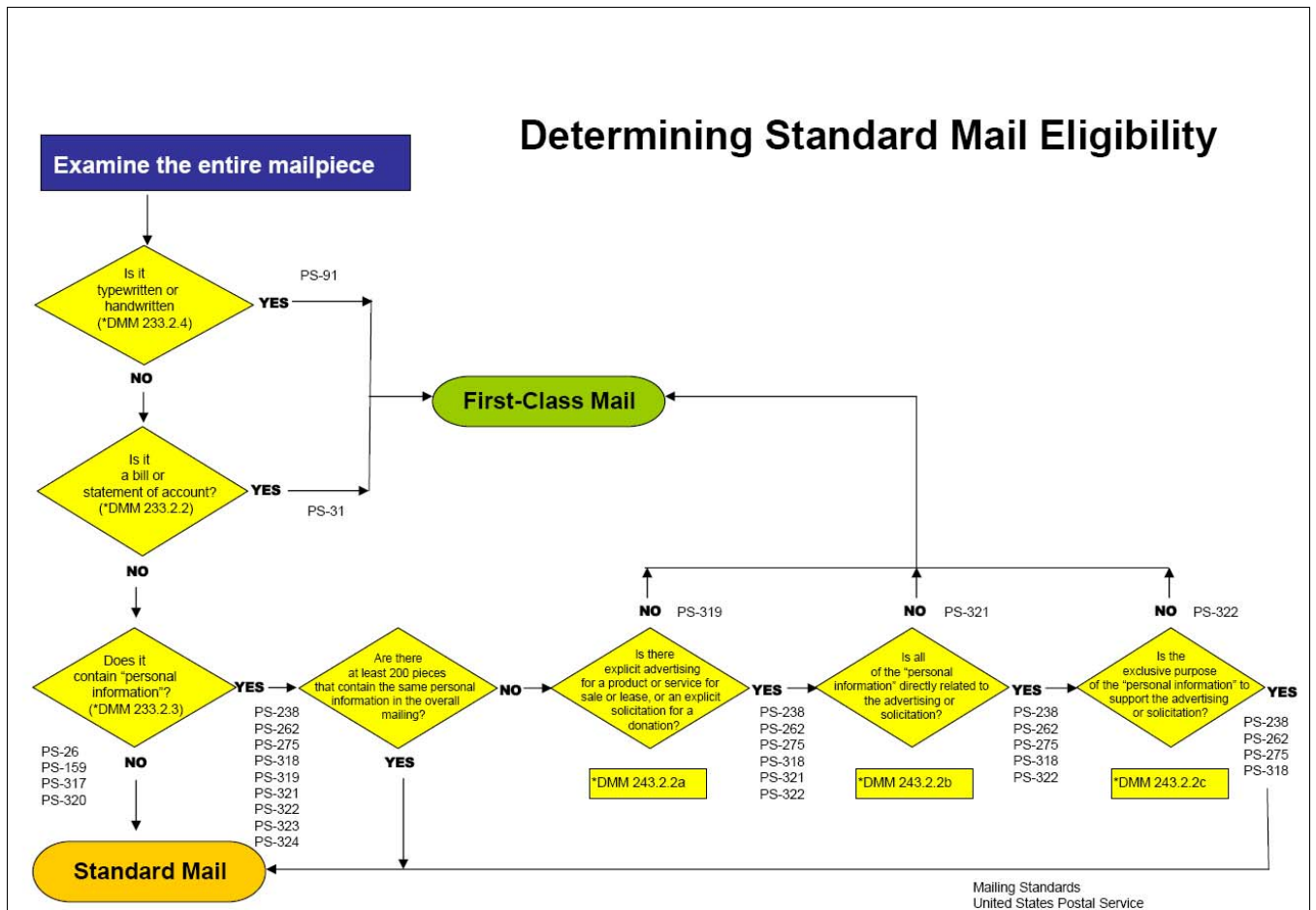


Exhibit 3-3

PS Form 6116, First-Class Metered Mail Shortpaid Sampling Worksheet

Note: To see PS Form 6116, click the link below:

<http://blue.usps.gov/formmgmt/forms/ps6116.pdf>

Exhibit 3-4

Performing a Tap Test

Standard Operating Procedures for Performing Tap Test on Window Envelopes with Barcode in the Window Area

Insert "shift" within mailpieces prepared with window envelopes can adversely affect barcode readability. Therefore, verification must be performed on all letter-size AND flat-size pieces that have barcodes appearing through windows. Following are the correct procedures to perform this verification.

Note: Deployment of MERLIN does not negate this procedure.

Randomly select 10 window envelopes from throughout the mailing. For mailings containing both window and regular envelopes, if 10 window envelopes are not obtained from within the first 50 pieces pulled, then the barcode window verification is not performed.

Vertical Shift

Tap each individual mailpiece twice on a flat horizontal surface on its bottom edge (the edge parallel to the address as read). Check to be sure that a clear space of at least 1/25 inch appears between the top edges of the barcode and the top edge of the window of each piece *without tapping/shaking the mailpiece upside down*. Next, check to ensure that a clear space of at least 1/25 inch appears between the bottom edges of the barcode and the bottom of the window.

Note: If there is an information line above or below the barcode, there must also be a minimum of 1/25 inch clearance between the barcode and the information line text.

Horizontal Shift

Tap each mailpiece separately on its left and right edges to jog the insert as far left and/or right as possible. Two taps are sufficient. Check to ensure that at least a 1/8 inch clear space appears between the left and right edges of the barcodes and the window's edge, as appropriate.

Helpful Hints

- a. If needed, use Notice 67, *Automation Template*, or Item 04A, *Delivery Point Postnet Barcode Gauge*, to confirm the measurements noted above.
- b. Letter-size pieces with a delivery point barcode in the lower right corner are not subject to this procedure.
- c. If the mailing fails the barcode window verification, charge the Nonautomation Presorted First-Class price or Nonautomation Standard Mail Letter or Flat price, as appropriate. *Note:* No corrections, changing tray labels, or other rework by the mailer is required.

Disposition

If no more than one piece fails, the mailing passes the barcode window verification. If two pieces fail, repeat the test on 10 additional barcode window envelopes.

If three or more pieces fail at anytime during the test (after the first ten or a total of 20), do not accept the mailing at barcoded prices.

Tap Test for a Combined/Value Added Refund Mailing

Follow the same procedures for conducting a tap test for non-identical weight mailing submitted under the terms of a Combined/Value Added Refund (VAR) postage payment system.

These types of mailing, however, are unique in that they contain multiple types of addressed/barcoded pieces. This means it is possible that only a single type of mailpiece in the mailing may be address block barcoded in a window envelope. If those pieces failed the tap, they would be the only pieces in the mailing that would not meet automation standards relative to the tap test.

Follow these procedures when pieces in a Combined/VAR mailing fail a tap test:

- a. Inform the mailer of the finding and that for the mail to be accepted, the non-automation prices will apply to the entire mailing or that they can take the mailing back, remove the non-compliant pieces, and resubmit the mailing for re-verification.
- b. If the mailer chooses to pay the nonautomation prices, inform the mailer that they have the right to appeal the decision within 90 days if they can show by documentation and by confirmation of the acceptance employee at the time of the mailing, that the only pieces in the mailing that failed the tap test is one specific type of envelope from one specific client. (Multiple envelopes from one or more clients failing the tap test will be regarded as a complete failure of the mailer's quality control process, and an appeal is not valid.)
- c. The mailer will submit their appeal to the district manager of Business Mail Entry who will review for completeness and forward to the manager of Business Mailer Support, USPS Headquarters.
- d. The manager of Business Mail Support, USPS Headquarters will review the appeal and determine if the appeal is valid. If the appeal is upheld, the mailer will be entitled to a refund for the all the pieces paid at the nonautomation price that were not the mailpiece type that failed the tap test.

Exhibit 3-5 (page 1 of 4)

Verification Procedures Flat-Size Mail Bundle Preparation**Verification Procedures
Flat-Size Mail Bundle Preparation****The following bundle verification procedures are effective on April 30, 2006**Standards for the preparation of bundles are contained in DMM 345, 365, 375, 385, 705.8, 707.19.**Verification Process**

A cursory review is conducted on all mailings not scheduled for an in-depth verification.

An in-depth verification is performed when scheduled by *PostalOne!* or when triggered by errors noted in a cursory review.

An in-depth verification will include a bundle preparation verification. Bundles include Standard Mail, Periodicals Mail, Bound Printed Matter, Library and Media Mail flats.

Bundles selected for MERLIN verification may be used. Bundle preparation issues must be resolved with mailer before processing on MERLIN. The MERLIN verification will be performed after the bundle verification.

Bundles selected for a manual presort verification may be used for the bundle preparation verification.

The PS Form 2866, Presort Verification Record, will no longer be used to record bundle verification results or calculate bundle verification additional postage.

Sample Selection

1. Randomly select bundles from mailing for verification sample based on the table below.

Total Pieces in Mailing	Number of Bundles for Sample
< 50,000	20
50,001 – 250,000	25
More than 250,000	30

2. If mailing contains less than minimum number of bundles for sample, review all bundles.
3. If mailing is in sacks, randomly select an adequate number of sacks to collect required number of bundles. Sacks must be dumped out to evaluate bundle preparation.
4. If bundles are on pallets, select three pallets and randomly select bundles from top, middle and bottom of each pallet.
5. A bundle will only be counted as a single error. For example, if a bundle is not secured properly and the address is not readable then it is only counted as one bundle error.

Bundles must be reviewed for compliance with DMM standards in 345, 365, 375, 385, 705.8, 707.19.Address visibility review:

6. In evaluating the bundle, place the bundle on a flat surface with adequate lighting and review the address from a normal reading distance.
7. Review each bundle for compliance with DMM standards for visibility and readability. The address information including the OEL and the barcode must be **visible and readable by the naked eye**. Common errors:
 - 7a. Strapping, banding or facing slips placed over address (clear, smooth strapping is acceptable)
 - 7b. Crinkled or excess shrinkwrap or seam over address
8. Record bundles on Bundle Verification Worksheet

Note: Procedures for the visibility of the address on the top piece of the bundle do not apply to bundles of letter size mail, First-Class flat-size mail, Customized Market Mail, bundles placed in 5-digit or 5-digit scheme sacks or pallets, carrier route bundles entered at a destination delivery unit, or flats prepared in letter trays under DMM Section 345.

Bundle preparation review:

1. Review each bundle for compliance with DMM standards for securing bundles.

Common errors:

 - Loose banding (string, straps, etc.)
 - Poor use of rubber bands
 - Poor shrinkwrap quality (torn, loose, not covering corners of open end)
 - Pieces shifting excessively within bundle
2. Record bundles on Bundle Verification Worksheet.

Exhibit 3-5 (page 2 of 4)

Verification Procedures Flat-Size Mail Bundle Preparation

Disposition

1. If 20% or less of the bundles sampled are found with errors, advise the mailer of any errors found and proceed with acceptance of the mailing.
2. If more than 20% of the bundles (e.g. 7 out of 30 bundles sampled) do not meet the bundle address visibility or bundle preparation standards, additional postage will be calculated using the **Bundle Verification Adjustment Worksheets for Periodicals or Standard Mail**. Mailings of presorted Bound Printed Matter, Library Mail or Media mail will be recalculated at the applicable the Nonpresorted Bound Printed Matter, Library or Media Mail price. The bundle verification adjustment worksheet is an Excel spreadsheet available through the manager, business mail entry or on the BMA web page
3. Advise the mailer of the option to retrieve the mailing for rework or pay the additional postage
4. Since bundle preparation including the visibility of the address has minimal impact when mailings are entered at a DDU, pieces entered at a DDU will not be considered in the additional postage calculation
5. Since bundles placed in 5-digit or 5-digit scheme sacks or pallets, or carrier route bundles entered at a destination delivery units are exempt from the standard for visibility of the address on the top piece of the bundle, if only visibility errors are found within a mailing and the mailer can document the number of pieces on the specific exempt pallets, then the additional postage calculation must be adjusted to reduce those exempt pieces from the total number of pieces
6. Enter any additional postage collected or cost avoidance into *PostalOne!*

Exhibit 3-5 (page 3 of 4)

Verification Procedures Flat-Size Mail Bundle Preparation

Bundle Verification Worksheet

Permit Number _____

Date _____

Mail Preparer _____

Number of Bundles	Bundle Number (if available)	OEL or ZIP Code of Top Piece	Condition of Bundle (good or describe error)	Acceptable (Yes or No)
1.				
2.				
3.				
4.				
5.				
6.				
7.				
8.				
9.				
10.				
11.				
12.				
13.				
14.				
15.				
16.				
17.				
18.				
19.				
20.				
21.				
22.				
23.				
24.				
25.				
26.				
27.				
28.				
29.				
30.				
			Total Bundles Sampled	
			Bundles with Errors	
			Error percentage (Bundle with errors divided by total bundles)	

Exhibit 3-5 (page 4 of 4)

Verification Procedures Flat-Size Mail Bundle Preparation

Bundle Verification Adjustment Worksheet Instructions

- 1) Select the appropriate worksheet for the mailing that is being adjusted. Separate sheets are available for Periodicals, Standard Mail regular rate with pieces weighing over 3.3 ounces, Standard Mail regular rate with pieces weighing 3.3 ounces or under, Standard Mail non-profit rates with piece weighing over 3.3 ounces and Standard Mail non-profit rate with pieces weighing 3.3 ounces or less.
- 2) Complete shaded blocks in top section of adjustment worksheet including mailer's name, publication number and name for Periodicals and mailer's name permit number for Standard Mail mailings and the acceptance location (BMEU City, State).
- 3) Enter percentage of error as whole number in the shaded cell next to 'bundle verification percentage of error.' For example; if error rate is 23.3%, enter 23. Round to next higher whole number at .5 (25.5 = 26).
- 4) Enter piece counts for each rate level claimed on postage statement in shaded cells in column A on the adjustment worksheet. Use appropriate 4 section for piece that are under or over 3.3 ounces or Standard Mail mailings.
- 5) Worksheet will automatically calculate additional postage based on adjustment factor for each rate level and total all lines at bottom of form.
- 6) Enter name and date at bottom of form.
- 7) This form may also be used to manually calculate additional postage if n.
- 8) Print two copies of adjustment worksheet. Attach copy to postage statement and provide copy of mailer.

Note: Since there is no rate level higher than basic non-auto in Periodicals and basic presorted in Standard Mail, pieces at these rates level will not be assessed additional postage.

Note: Since bundle preparation including the visibility of the address has minimal impact when mailings are entered at a DDU, pieces entered at a DDU will not be considered in the additional postage calculation.

Note: Address visibility does not apply to bundles placed on 5-digit or 5-digit scheme pallets or sacks. If the mailer can, based on the mailing documentation, identify the number of pieces placed on 5-digit and 5-digit scheme pallets and sacks then the number of pieces subject to additional postage charges may be reduced by that amount.

Exhibit 3-6

PS Form 2866, Presort Verification Record

Note: To see PS Form 2866, click the link below:

<http://blue.usps.gov/formmgmt/forms/ps2866.pdf>

Exhibit 3-7 (page 1 of 8)

SOPs for Verifying Piece Counts — MERLIN/Mailer MLOCR/BCS Combined/VAR Mailing Environment (Mailpiece Count Verification, MPCV)

Overview

When to Use These Procedures -- These procedures are to be used when:

- An MLOCR/BCS mailer presents a mailing containing any combination of pieces with different postage payment types (permit, metered, precanceled stamps), OR,
- Mailings are presented claiming a Value Added Refund (VAR) including all VAR eligible mailings where or not a VAR is provided.

MERLIN may be used to verify piece counts when all the pieces in a mailing are either permit imprint (all pieces within the same ounce increment), precanceled stamps, or metered at the same rate.

Objective

- To determine that there are not more permit imprint pieces in the mailing than are claimed on the documentation.
- To determine that permit imprint pieces are paid according to weight.
- To determine that metered mail has been accurately profiled according to the rate affixed.
- To determine, in a Value Added Refund (VAR) environment, that there are not fewer metered pieces in the mailing than are claimed on the refund documentation.

Note: MPCV is NOT performed to verify presort or barcode legibility.

The mailing's piece counts and postage accuracy are checked by counting all trays and mailpieces for specific ZIP Code destinations. The mailing sample is then matched against the counts in the mailer's USPS Summary ZIP Destination Report.

Note: Mailers must be authorized by Business Mailer Support before producing Combined and/or Value Added Refund (VAR) mailings.

Presort Verifications must be conducted using MERLIN or In-depth verification procedures.

Frequency of the Review

- For mailings presented by MPTQM certified mailers — Use these procedures on one out of every 5 automation mailings presented. Additionally, if separate machinable mailings are presented, conduct procedures once per week on a machinable mailing.

First-Class Letter Size Automation	1 in 5
First-Class Letter Size Presort	1 in 5
Standard Mail Letter Size Automation	1 in 5
First-Class Flat Size Automation	1 in 5

- **For MPTQM certified mailers** -- when a mailing fails, verify piece counts on the next 2 mailings.
- **For all other mailers** — Use these procedures on every automation mailing presented. Additionally, if separate machinable mailings are presented, conduct procedures once per week on a machinable mailing.
- These results will be recorded daily on the Quarterly Combined/VAR Accuracy Worksheet for both MERLIN and Mail Piece Count Verification results.

Determining the Sample Size for Letter-Size Mailings

Determine the sample size using the following table. The table indicates the minimum number of pieces to select based upon the total number of pieces in the mailing.

Total Pieces in Mailing	Minimum Number of Pieces Selected	Number of Presort Rate Levels
500 to 125,000	At least 500 pieces	2
125,001 to 600,000	At least 850 pieces	2
More than 600,000	At least 1,000 pieces	2

Exhibit 3-7 (page 2 of 8)

SOPs for Verifying Piece Counts — MERLIN/Mailer MLOCR/BCS Combined/VAR Mailing Environment (Mailpiece Count Verification, MPCV)

Determining the Sample Size for Flat-Size Mailings

Determine the sample size using the following table. The table indicates the minimum number of pieces to select based upon the total number of pieces in the mailing.

Total Pieces in Mailing	Minimum Number of Pieces Selected	Number of Presort Rate Levels
500 to 50,000	At least 300 pieces	2
50,001 to 150,000	At least 400 pieces	2
More than 151,000	At least 500 pieces	2

Selecting the Destinations to Sample: The USPS acceptance employee selects destinations for the piece-count analysis from the mailer's documentation. The MERLIN sample is based on a random selection process developed for MERLIN. Therefore the MERLIN sample and the piece-count analysis may consist of different ZIP Codes.

- First, from the Summary ZIP Destination Report, select at least two destinations (5-digit, 3-digit and/or AADC) that together contain more pieces than the minimum required as listed in the tables above. Look for destinations that contain all or most of the different postage payment methods, if applicable. (Mixed AADCs should not be used for this review. MLOCR mailers are not required to separate their Mixed AADC mail by AADC, making it difficult to match this mail against the presort documentation.)
- Next, gather all trays for the selected destinations, seeking mailer assistance if necessary. It is important that no trays are missed from these destinations. Begin the piece-count process.

Notes:

1. On some occasions it may be necessary to select up to three or four ZIP Code destinations to reach the minimum number of pieces required. These other ZIP Codes can be from any rate level. Remember, you may only need two ZIPs. Space for up to four ZIP Codes is included on the worksheet only in case it is necessary to reach the minimum number of sampled pieces.
2. Do not always look for destinations with the bare minimums per the tables above. On days when time is available, set the target at greater volumes to verify.
3. It is not permissible to observe mail in order to select samples. Samples must be selected randomly from documentation. However, it is permissible to select destinations that in the past failed the piece-count analysis — this is to confirm that the mailer corrected previously identified problems.

Helpful Tip -- A great deal of time can be spent on this portion of the verification if you do not know how your mailer breaks down the mail. As you look over the presort documentation to determine what ZIP Codes you want to select for verification, you must have a general idea of where the trays of mail with the ZIPs you select are located. If you are not aware of mail breakdown, or if the mailer does not perform breakdowns, you literally will need to look through all the mail in order to find the trays for the ZIPs you selected. Before you begin going through the mail, you may choose to select a couple of possible ZIPs. This way, as soon as you find all the mail for one of the possible ZIPs, you can use these pieces for your sample. (**Note:** Mail breakdowns and staging plans often are negotiated with the mailer by operations and may be included in local written agreements or Integrated Operating Plans).

SPECIAL CASE: Many MLOCR mailers, through signed agreements with the Postal Service, operate in a continuous mailing environment. Under these agreements, some of the trays to certain destinations may have been dispatched prior to the mailer being able to present the Summary ZIP Destination Report to be used for verification. The following procedure is needed to ensure that all destinations have an opportunity to be verified and the mailer is able to present all trays for those destinations selected.

1. Instruct the mailer to hold aside all trays for candidate destinations.
2. Furnish the list of candidate destinations to the mailer several hours PRIOR TO initial dispatch for the mailing to be verified.

Exhibit 3-7 (page 3 of 8)

SOPs for Verifying Piece Counts — MERLIN/Mailer MLOCR/BCS Combined/VAR Mailing Environment (Mailpiece Count Verification, MPCV)

- In order to identify these candidates, use the following table and Summary ZIP Destination Report from the last two mailings, being certain that it represents similar MLOCR sort scheming as the mailing to be verified. In other words, be certain that the destinations are present and the piece counts are similar on both reports. Identify the candidates from as large a cross-section of the mailing as possible. For example, if the mailer typically sorts mail during the first-pass into ten groups based on the first digit of the ZIP Code, it is recommended that you do not identify more than one candidate from any one of the groups. Occasionally, candidates from “Quick kill” 5- and 3-digit first-pass mail should be identified as well.

	5-Digit Destinations	3-Digit Destinations	AADCs
MPTQM Mailers			
• Number of Candidate Destinations to Hold	1	4	1
• Number of Destinations to Verify	Select any 2 of the 6 destinations above to verify and begin the piece-count process.		
All Other Mailers			
• Number of Candidate Destinations to Hold	2	5	2
• Number of Destinations to Verify	Select any 2 (or 3) of the 9 destinations above to verify and begin the piece-count process.		

- Select the two actual destinations to be verified from among the candidate destinations. Once the Summary ZIP Destination Report becomes available for the actual mailing to be verified, use it to compare the two selected destinations to the mail set aside by the mailer.
- This is the verification SAMPLE. Begin the piece-count process. All other candidate destinations become available for the mailer’s immediate dispatch.

Note: In a Continuous Mailing Environment, it is the mailer’s responsibility to present all trays needed for verification. Unless the mailer can prove otherwise, trays suspected as being missing are presumed by the Postal Service as NOT having been prepared and dispatched to its destination correctly. That is, it is presumed an error has occurred for which a postage adjustment is appropriate if the error threshold is exceeded.

Automated Workbooks:

Automated Excel workbooks have been provided and are required for use in determining the accuracy of the mailings and any appropriate postage adjustment. Due to the complexity of the necessary calculations, it is required to utilize the automated workbook in lieu of any manual calculation process. The appropriate data needs to be entered completely and accurately in order to insure accurate results. **Note:** Part A of the worksheet may be printed and used for the manual piece-count verification process if the mailing is not presented as part of the MPTQM certified process, if there are no piece count differences, then completion of the automated MPCV Workbooks is not required. However, if there is even one piece difference in the piece-count comparison, or if the mailing is presented under the MPTQM certified process, the automated workbook requires completion.

Heading Completion: The heading of each workbook must be properly completed in order to complete the accurate calculations. Error messages will be displayed for various uncompleted items.

- First-Class Mail Letters Workbook
 - If not already selected appropriately, select the Rate Option (Automation or Non-Auto). **Note:** Any change to the alternate option will delete any existing data inputs including some heading information.
 - Complete the Mailer Name, Post Office, Date, and Verification Clerk initials.
 - Select all the postage payment types represented in the mailing in the Postage Selection box, including indication of an MPTQM certified mailer. The selections must be complete and accurate since the selections will control access to data input areas on another workbook page should any calculated error rates exceed out of tolerance results. Incorrect selections may result in inaccurate postage adjustments.

Exhibit 3-7 (page 4 of 8)

SOPs for Verifying Piece Counts — MERLIN/Mailer MLOCR/BCS Combined/VAR Mailing Environment (Mailpiece Count Verification, MPCV)

2. First-Class Mail Flats Workbook

- Complete the Mailer Name, Verification Clerk initials, Post Office, and Date.
- Select all the postage payment types represented in the mailing in the Postage Selection box, including indication of an MPTQM certified mailer. The selections must be complete and accurate since the selections will control access to data input areas on another workbook page should any calculated error rates exceed out of tolerance results. Incorrect selections may result in inaccurate postage adjustments.

3. Standard Mail Letters Workbook

- If not already selected appropriately, select the Rate Option (Automation or Non-Auto). Note: Any change to the alternate option will delete any existing data inputs including some heading information.
- Complete the Mailer Name, Verification Clerk initials, Post Office, and Date.
- Enter the total pieces in the mailing (automation portion or machinable portion only, as appropriate) and the total postage in the mailing (automation portion or machinable portion only, as appropriate).
- Select all the postage payment types represented in the mailing in the Postage Selection box, including indication of an MPTQM certified mailer. The selections must be complete and accurate since the selections will control access to data input within Part A of the workbook.

Piece Count Verification — Part A

1. For each ZIP Code/destination selected as part of the SAMPLE, separate the mail by postage payment method and rate.

Postage Affixed: Using empty trays, separate the sample mail by postage amount affixed for stamped and metered mail (based only on the first ounce for First-Class Mail, since full postage for the second, third, and fourth ounces must be affixed).

Permit Imprint: Using empty trays, weigh and separate the mailpieces by ounce increments. Match each piece's 2-character rate code (the 6th and 7th characters of the code) against its postage indicia/amount on the upper right corner of the envelope. DMM 705.5 contains a chart with all rate codes.

Note: Address block prebarcoded mail may not contain a rate code if the mailer's MLOCR does not spray a Postnet barcode on the lower right corner of the mailpiece.

2. After all of the mail has been separated, pick up random handfuls from each grouping and fan each handful to confirm that each piece has the correct 2-character rate code. Check about 1/3 of the mail in this fashion. If the sprayed rate code on one or more pieces does not match its postage payment method/amount, STOP. A serious problem exists. The mailer may have not profiled the client's mail correctly. Show the piece or pieces to the mailer and determine with the mailer how the error will be resolved in terms of correcting the postage owed. Typically, the mailer must identify which customers' mail is profiled in error, adjust the postage information in the mailing job and then re-run the mailing reports and postage statements. Continue with verification as soon as possible. It may or may not be possible to continue without new documentation. When you receive the corrected documentation, compare the USPS Customer Mail Report from the original documentation to the replacement documentation. It should show a change in the "rate affixed" only for the customer who was incorrectly entered. There should be no change in the total piece counts on the USPS Qualification Report and Summary ZIP Destination Report. A supervisor should be contacted if guidance is needed. Then, if necessary, contact a Business Mailer Support Analyst for assistance. Also be aware that there may be some problems when the ID/Rate Codes are applied to postcards or small envelopes due to their small size. Do not reject these pieces merely because the code may not fit on the piece.

The following procedures should be followed when it is determined that misprofiling of postage rate or payment method may have occurred:

- Determine which client and what type of profiling error may have occurred.
- Mailer will submit to the BMEU/DMU the original customer mail report to verify profiling error.
- Mailer will correct the customer profile in the MLOCR database and will submit new customer mail report to verify corrective action was taken.
- BMEU/DMU will compare the original Customer Mail Report to the corrected Customer Mail Report. Volume shifts should match difference between original and corrected customer mail report.

Exhibit 3-7 (page 5 of 8)

SOPs for Verifying Piece Counts — MERLIN/Mailer MLOCR/BCS Combined/VAR Mailing Environment (Mailpiece Count Verification, MPCV)

- Mailer will generate new mailing reports and postage statements.
- BMEU/DMU will compare corrected ZIP Destination Summary Report with original USPS actual MPCV counts. Adjust mailer count to corrected ZIP Destination Summary Report figures.
- 3. Count each separation of mail and record the results for each ZIP Code/destination in the “USPS Count Actual” columns in Part A of the Piece Count Worksheet.
- 4. At this point, missorts are to be factored out since MERLIN is calculating this type of error. Proceed as follows: If the mailer’s count is greater than the actual count for any row of any ZIP Code/destination by more than 1 piece, fan all the mail for that row and pull out any pieces with ZIPs indicating that they do not belong in that tray, according to the tray label. (Do not pull out such pieces if they show the mailer used the MLOCR to spray a correcting barcode on the piece). Next, reduce the count in the actual count by the number of pieces pulled out for that row for the appropriate ZIP Code/destination. Return any pieces pulled out to the mailer, tell the mailer which ZIP contained the missorted pieces and document this information in the comments section of the Piece Count Worksheet. Occasionally you will find two mailpieces stuck together. The second stuck piece generally will not have a barcode on the mailpiece. Return these pieces to the mailer.
- 5. If the actual MPCV counts are less than what is reported on the mailer documentation, notify the mailer. Give the mailer the opportunity to locate the missing pieces. Missing pieces could be a result of a sortation error, second pass rejects, damaged pieces withdrawn from the mailing or “Loop” mail identified and withdrawn from the mailing as part of the mailers quality control. (Loop mail is incorrectly barcoded mail. In most cases loop mail has been barcoded to the return address). If the mailer is able to locate and provide the BMEU/DMU with the missing pieces then correct the actual count and complete the worksheet. Document this information in the comments section of the Piece Count Worksheet. (In a Continuous Mailing Environment — the mailing must be released in a timely manner, as described in the *PostalOne!* or MATS agreement)

Helpful Tips:

Instead of counting each piece of mail individually, count in multiples of two, three, four, or five. With a little practice, this becomes second nature and drastically reduces the amount of time spent counting. Counting mail by twos instead of every single-piece reduces the time spent counting by half. Also, to avoid having to recount the tray if you lose your place when counting, prepare separate stacks of mail with 25, 50, or 100 pieces, or turn up every twenty-fifth, fiftieth, or hundredth piece. Either way, this will help when the count for the entire ZIP has been completed and you need to go back and calculate the total count for each of the separations for the particular ZIP being sampled.

When a mailing consists of identical weight pieces, you may be able to use the counting piece weight scale in the acceptance unit to determine the number of pieces instead of counting them by hand.

Acceptance clerks at DMUs may save some time by completing the piece count for one of the ZIPs selected from the first pass (first pass ZIPs are generally 5-digit ZIPs), and waiting until later to randomly select a second-pass ZIP.

SPECIAL CASE: Do not use mislabeled trays in the piece-count verification. Document their occurrence in the comments section of the Worksheet. Example: Six trays of mail for ZIP 632 are located for piece-count verification. During the counting process, it becomes clear that only five trays contain mail for 632 and one tray is mislabeled. Count pieces only in the 5 trays and document tray six in the comments section. (Explanation: tray label error postage adjustments are made on the basis of the MERLIN analysis only.) Return the mislabeled tray to the mailer immediately. Document the error in the comments section of the Piece Count Worksheet. Persistent tray labeling errors are to be brought to the attention of the Business Mail Entry Manager.

Summary of Corrective Actions (If Required)

- For any errors other than piece-count errors found during this check, such as those discussed above for marking or eligibility errors, return the pieces to the mailer. These pieces will not be used in calculating any postage adjustments. Reface any pieces, if necessary. Record all errors in the comment section of the Piece Count Worksheet.

Exhibit 3-7 (page 6 of 8)

SOPs for Verifying Piece Counts — MERLIN/Mailer MLOCR/BCS Combined/VAR Mailing Environment (Mailpiece Count Verification, MPCV)

Workbook Completion — Part A

If any piece-count differences exist on the manual worksheet for Part A, complete data entries in Part A within the automated workbook.

- Record the number of metered, precanceled, and permit imprint pieces from the mailer's USPS Postage Summary as appropriate. Note: It 'is' necessary to enter zeros when there are no reported pieces for a specific postage type and rate level or permit imprint weight increment.
- Record the Actual number of metered, precanceled, and permit imprint pieces determined from the actual count of pieces. **Note:** It 'is' necessary to enter zeros when there are no reported pieces for a specific postage type and rate level or permit imprint weight increment.

Note: The Standard Mail Letters workbook requires selection of the destination entry (None, DBMC, or DSCF), and entry of the net weight of the sample mail pieces for each tray selection to determine the average piece weight and any postage adjustment in Part E.

Calculation of Error Rate for 'Total Piece Count Summary' (Part B): The Error Rate is determined by adding the total differences between actual pieces counted and the mailer's documented pieces for each rate/weight line item, then dividing by the mailer's total documented pieces for the trays selected. If the error rate exceeds .02 (2.0%), additional data inputs are required on the Postage Summary Information page for the First-Class Mail Letters and the First-Class Mail Flats workbooks. The Standard Mail Letters Workbook will not require any additional information.

Calculation of Error Rate for 'Total Permit Imprint Only Count Summary (Part C): If the mailing contains permit imprint pieces, Part C, Total Permit Imprint Only Count Summary will be calculated using the piece-count information from Part A Permit Imprint Section. The Error Rate is determined by adding the total differences between actual pieces counted and the mailer's documented pieces for each line item only in the Permit Imprint Section of Part A, then dividing the result by the mailer's total documented pieces for the trays selected. If the error rate exceeds .015 (1.5%), additional data inputs are required on the Postage Summary Information page for the First-Class Mail Letters and the First-Class Mail Flats workbooks. Also, if the error rate exceeds .015 (1.5%) for Standard Mail Letters, the total permit imprint postage must be input on the Permit Imprint page of the workbook.

Note: If only Part C exceeds tolerance, only the Permit Imprint postage needs to be entered on the Postage Summary page in the First-Class Mail Letters and the First-Class Mail Flats workbooks. The permit imprint postage for the Standard Mail Letters workbook is entered in Section B of the Permit Imprint page of the workbook. **SPECIAL CASE:** There is one situation in which the formula in Part C will not work. That occurs whenever the mailer's documentation indicates there are no permit imprint pieces, but one or more pieces of permit imprint mail are discovered during the actual count. In this situation, the mailer's count will be zero, and since dividing any number by zero is not possible, no relevant error rate can be obtained regardless of how many actual pieces of permit imprint are counted. In this situation it will be necessary to obtain additional information from the mailer in order to attempt to determine the proper amount of additional postage due for the permit imprint pieces. The additional postage for the permit imprint pieces cannot be calculated using the piece-count procedures. This is a critical error, and the BMEU supervisor should be contacted immediately to help resolve the matter. If necessary, Business Mailer Support also should be contacted as soon as possible. While the matter of the permit imprint postage is being resolved, complete the rest of the piece-count verification. Do not accept the mailing until the problem has been resolved.

Calculation for 'MPTQM Mailer Average Adjusted Error Rate' (Part D): MPTQM certified mailers have different postage adjustment procedures than regular mailers as long as their Part B error rate is .10 (10%) or less. If their Part B error rate is more than .10, they will be subject to the same postage adjustment procedures as non-certified mailers, and Part D will not be used.

1. The workbook uses the results of the MPTQM mailer's three previous piece-count verifications by referring to Part D of the last Piece Count Worksheet completed.
2. In Part D of today's worksheet, the verification results for each on the appropriate line (Mailing #1, Mailing #2, Mailing #3) are carried forward from the previous day's completion or may be directly input for each mailing.
3. Today's error rate is determined from Part B line (3).

Exhibit 3-7 (page 7 of 8)

SOPs for Verifying Piece Counts — MERLIN/Mailer MLOCR/BCS Combined/VAR Mailing Environment (Mailpiece Count Verification, MPCV)

Note: If mailing #1, #2, or #3 had an error rate greater than .10, they are not averaged, but dealt with separately at the time of occurrence. If today's error rate is:

- Greater than .10, Part D averaging is not used in Part E. The error rate in Part B is then used.
- .02 or less, there is no postage adjustment as a result of errors calculated for Part A. If the mailing contains permit imprint pieces, go to Part C, Permit Imprint Only Count Summary. Otherwise, the piece-count verification is finished.
- More than .02 but not greater than .10, Part D is used to calculate an average error rate as follows:
 - a. Adds the four error rates and divides the total by 4. (If this is a new mailer for this verification, it divides the total by the number of mailings for which verification results exist).
 - b. Displays the result into Part D, Average Error Rate:
 - 1) If the result is .02 or less, there is no postage adjustment for Part A. If the mailing contains permit imprint pieces, go to Part C, Permit Imprint Only Count Summary. Otherwise, the piece-count verification is finished.
 - 2) If the Average Error Rate is greater than .02, the rate is used in Part E Item (5), Postage Adjustment Error Rate.

Note: Follow-Up Analysis in the Next Permit Imprint Mailing - If a permit imprint postage adjustment is necessary, a permit imprint analysis must be performed for the next mailing even if the current mailing passed the Part A piece-count verification. This subsequent analysis will be done by completing Part A of the applicable Piece Count worksheet. The sort levels and piece counts sampled will be the same as if a piece-count verification was being completed. However, only the permit imprint pieces are counted and matched against the presort documentation.

Postage Summary Information

The Postage Summary Information page is only accessible when Part A and/or Part B of the Piece Count page of the workbooks are out of tolerance (greater than .02 for Part A and/or greater than one piece and greater than .015 for Part B). The purposes of the Postage Summary Information page is to obtain the mailer's piece-count information for the various postage payment methods to determine the virtual postage for calculation of the postage adjustment in Part E of the Piece Count page, to validate total pieces documented in the mailing, and to record the total permit imprint postage for postage adjustment calculations for the First-Class Mail Letters and First-Class Mail Flats workbooks. The virtual postage determines the 1-ounce discounted postage for all metered and precanceled pieces in the mailing (regardless of actual weight), based upon the mailer's piece-count documentation, plus the actual discounted postage for the permit imprint portion of the mailing per the mailer's documentation. This method provides a true comparison of the calculated single-piece postage in Part E versus the virtually calculated discounted postage to determine the actual workshare discount for postage adjustment calculation purposes.

Permit Imprint Worksheet

The inclusion of permit imprint mail in combined postage payment mailings raises an additional concern. While the metered pieces have some postage affixed, permit imprint pieces have no postage affixed. Consequently, when piece-count errors involving permit imprint mail are discovered, the normal remedy of calculating additional postage for presort errors as is done in Part A of the Piece Count Worksheet will not properly compensate the Postal Service for the errors. A different procedure is provided to calculate the "base-rate" postage, as well as any postage for additional ounces for permit imprint pieces improperly reported by the mailer.

There are three Permit Imprint worksheets — one for each of the First-Class Mail Letters, Standard Mail Letters, and First-Class Mail Flats workbook. The Permit Imprint worksheets consists of two sections. Section A performs the Permit Imprint Piece-Count/Postage Analysis and Section B performs the Permit Imprint Postage Adjustment determination.

The Permit Imprint worksheets are automatically completed when an out of tolerance error rate exists in Part C on the Piece Count page on each of the three workbooks. The only required entry of data is entry of the total mailing permit imprint postage for the Standard Mail Letters workbook in Section B. The same information for the First-Class Mail Letters and First-Class Mail Flats workbooks is entered on the Postage Summary page.

Exhibit 3-7 (page 8 of 8)

SOPs for Verifying Piece Counts — MERLIN/Mailer MLOCR/BCS Combined/VAR Mailing Environment (Mailpiece Count Verification, MPCV)

Calculation of 'Postage Adjustment' (Part E): Postage adjustments are calculated when an out of tolerance exists as determined by Part A or/ or Part B of the workbooks. For proper calculation of the postage adjustment, completion of the Postage Summary Information page (First-Class Mail Letters and First-Class Mail Flats) or Permit Imprint page (Standard Mail Letters) is required when an out of tolerance error rate exists in Part A and/or Part B of the Piece Count page.

For Standard Mail, the average piece weight in Part E is determined by dividing the weight of the sample pieces recorded in Part A by the actual number of sample pieces recorded in Part A. This average weight per piece is used to determine the appropriate single-piece rate (appropriate First-Class postage rate) for postage adjustment calculation. Upon completion of all the required information, the 'Total Additional Postage Due' is displayed in Part E.

Mailer Options : When the Piece Count exceeds the tolerance (.02 in Part A and/or greater than one piece and greater than .015 in Part B), the mailer has the option of paying the postage adjustment or identifying and correcting the error. In some cases, it may not be practical or possible to correct the error in the time required. This is a business decision made by the mailer. If the mailer can and does choose to correct the mailing, the following conditions apply:

- a. The mailer must be able to identify which client and the type of profiling error occurred. Corrected mailing reports and postage statements must be presented at time of mailing.
- b. Missing pieces must be located and presented to the BMEU/DMU prior to dispatch.
- c. The mailer is responsible for segregating and staging the candidate ZIP Codes selected. It is also the mailer's responsibility to present all trays needed for verification. Unless the mailer can prove otherwise, trays suspected of being missing are presumed to be in error and a postage adjustment is appropriate if the error threshold is exceeded.
- d. Mailings held and/or submitted after critical entry times must be re-dated.

Postage Payment: Postage may be paid using the mailer's advance deposit account or by meter strips. Should the mailing require any postage adjustment and the mailer decides to pay the calculated postage adjustment, postage may be paid using the mailer's advance deposit account or by meter strips.

Subsequent Verifications: Whenever an MPTQM mailer presents a mailing that exceeds the piece count tolerance (.02 in Part A and/or greater than one piece and greater than .015 in Part B), the next two mailings become candidates for piece-count verification.

Document Retention: Non-MPTQM Certified Mailer — Retain Piece-Count Verification records for 6 months. File with other verification records for that mailer.

- MPTQM Certified Mailer — Retain Piece-Count Verification records until the next MPTQM assurance review. File with other records in the MPTQM Mailer Quality Folder. (This folder contains any letters, notes, customer contacts, etc. concerning ANY acceptance problems. This folder is examined during MPTQM Assurance Reviews and should offer a complete record of any problems experienced with the mailer, not just those resulting in postage adjustments).
- Complete the Quarterly Combined/VAR Accuracy Worksheet/Mailpiece Count Verification Log
- Sheet for each mailing and retain in the mailers file for one year.

Mailers Conditions: Mailers **may not** perform any Quality Control on any trays held out as the USPS verification sample beyond that which is always performed by sweepers for **all** trays.

- Mailers may appeal postage adjustments to the Manager, Business Mailer Support. Appeals must be sent through the local Manager, Business Mail Entry with complete documentation to support the appeal.

U.S. Postal Service Conditions

- Acceptance employees are not to move among the MLOCR/BCS bins while a scheme is running.

Acceptance employees, time permitting, may scrutinize mail in any wise manner after the official verification has been completed. Errors found must be pointed out and corrected by the mailer, then documented in the USPS mailer quality folder. These errors may not result in postage adjustments for the current mailing. However, they may be targeted for subsequent verifications in later mailings. In such a case, the randomness in the selection of trays may be bypassed to select those most likely to contain errors. Whenever practicable, mailpieces with errors that, upon inspection, could help the mailer determine the root cause of a problem must be returned to the mailer as soon as possible.

Exhibit 3-8
Standard Mail Piece Count Worksheet (letters)

Page 1 of 1

Standard Mail Piece Count Worksheet (letters)

Feb. 04 Ver 2.2

Mailer Name		Post Office		Total Automated Pieces		<input type="checkbox"/> Metered Mailing <input type="checkbox"/> Precanceled Mailing <input type="checkbox"/> Permit Mailing <input type="checkbox"/> MPTQM Mailer	
Verification Clerk		Date		Total Automated Postage			

Part A - Piece Count and Postage Verification

Select a total of at least 500, 850, or 1250 pieces (based on the size of the mailing) from two different rate levels.

<input type="checkbox"/> 5-Digit <input type="checkbox"/> 3-Digit <input type="checkbox"/> AADC Rate Level Selected _____ Tray Label ZIP Code _____ (Do not select Mixed AADC mail for this review.)	<input type="checkbox"/> 5-Digit <input type="checkbox"/> 3-Digit <input type="checkbox"/> AADC Rate Level Selected _____ Tray Label ZIP Code _____ (Do not select Mixed AADC mail for this review.)	<input type="checkbox"/> 5-Digit <input type="checkbox"/> 3-Digit <input type="checkbox"/> AADC Rate Level Selected _____ Tray Label ZIP Code _____ (Do not select Mixed AADC mail for this review.)
---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------	---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------	---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------

Sample Tray Weight (Non-identical weight pieces only) → 1st _____ + 2nd _____ + 3rd _____ = Total Sample Weight in lbs. (Record in Part C)

Rates / Weight	Mailer Count Documentation (1)	USPS Count Actual (2)	Difference Between (1) and (2) (3)	Mailer Count Documentation (4)	USPS Count Actual (5)	Difference Between (4) and (5) (6)	Mailer Count Documentation (7)	USPS Count Actual (8)	Difference Between (7) and (8) (9)
METERED (Non-Entry Rates)									
5-DG Auto									
3-DG Auto									
AADC									
Mixed									
3/5 Presort									
Basic Pre.									
Rate	PRECANCELED								
PERMIT IMPRINT									
Regular									
Nonprofit									
Total Column (3)			Total Column (6)			Total Column (9)			

Part B - Total Piece Count Summary (All Postage Types)

(Round off to three decimal places)

Total difference in pieces reported at each rate level (3) + (6) + (9) = _____ (1)

Total number of pieces of mail reported at each rate level (1) + (4) + (7) = _____ (2)

Error Rate = line 1 ÷ line 2 = _____ (3)

Note: For MPTQM Mailers enter line (3) in Part D, "Today's Error Rate". For all other Mailers, if line(3) is greater than .02, enter line(3) in Part E item (5).

Part C - Total Permit Imprint Only Count Summary

(Use only for authorized combined postage payment mailings.)

(Round off to three decimal places)

Total difference in imprint pieces reported each rate level (3) + (6) + (9) = _____ (1)

Total number of pieces of mail reported at each rate level (1) + (4) + (7) = _____ (2)

Error Rate = line 1 ÷ line 2 = _____ (3)

Note: If the difference on line 1 is more than one piece AND the Error Rate is more than .015 (1.5%), complete the Standard Mail Permit Imprint Worksheet.

Part D - MPTQM Mailer Average Adjusted Error Rate (MPTQM certified mailers only. Round off to three decimal places)

Error Rate from Part B Line (3)	Mailing#1	Mailing#2	Mailing#3	Today's Error Rate	Total Error Rate	
	+	+	+	=	÷ 1, 2, 3 or 4 =	Average Error Rate

If Today's Error Rate is greater than .10 do not average. Instead insert Today's Error Rate into Part E item(5).

Part E - Postage Adjustment (Round off to three decimal places)

Step 1 $\frac{\text{Wt. of Single Piece}}{\text{Total Sample Weight in lbs. from Part A}} \times \frac{16}{\text{Weight in Ounces}} = \frac{\text{Total of columns (2)+(5)+(8) from Part A}}{\text{Average Piece Weight Ounces}}$	Step 2 $\frac{\$}{\text{Avg. Piece Weight Postage (First Class)}} \times \frac{\text{Total Automated Pieces Reported}}{\text{Total Automated Postage Claimed}} =$
(1)	(2) (3)

\$ _____	X	\$ _____	=	\$ _____	+	\$ _____	=	\$ _____
(4)		(5)		(6)		(7)		(8)

Additional Postage Due (Round off to 2 decimal places)

Permit Imprint Postage Due from Permit Imprint Worksheet Line 9

Total Additional Postage Due

Comments

Exhibit 3-9
First-Class Mail Piece Count Worksheet

Page 1 of 1

First-Class Mail Piece Count Worksheet

Feb. 04 Ver 2.2

Mailer Name	Post Office	Total Automated Pieces	<input type="checkbox"/> Metered Mailing
Verification Clerk	Date	Total Automated Postage	<input type="checkbox"/> Precanceled Mailing
			<input type="checkbox"/> Permit Mailing
			<input type="checkbox"/> HFTQM Mailer

Part A - Piece Count and Postage Verification

Select a total of 500 pieces from two different levels for mailings up to 125,000, 850 for mailings up to 600,000, or 1250 pieces for mailings greater than 600,000 pieces

<input type="checkbox"/> 5-Digit <input type="checkbox"/> 3-Digit <input type="checkbox"/> AADC	<input type="checkbox"/> 5-Digit <input type="checkbox"/> 3-Digit <input type="checkbox"/> AADC	<input type="checkbox"/> 5-Digit <input type="checkbox"/> 3-Digit <input type="checkbox"/> AADC
Rate Level Selected Tray Label ZIP Code _____ <i>(Do not select Mixed AADC mail for this review.)</i>	Rate Level Selected Tray Label ZIP Code _____ <i>(Do not select Mixed AADC mail for this review.)</i>	Rate Level Selected Tray Label ZIP Code _____ <i>(Do not select Mixed AADC mail for this review.)</i>

Rate / Weight	Mailer Count Documentation (1)	USPS Count Actual (2)	Difference Between (1) and (2) (3)	Mailer Count Documentation (4)	USPS Count Actual (5)	Difference Between (4) and (5) (6)	Mailer Count Documentation (7)	USPS Count Actual (8)	Difference Between (7) and (8) (9)
Total Count									
METERED (At First Ounce)									
0.278									
0.292									
0.301									
0.309									
0.352									
PRECANCELED / POST CARDS									
PERMIT IMPRINT									
1 oz									
2 oz									
3 oz									
Total Column (3)			Total Column (6)			Total Column (9)			

<p style="text-align: center;">Part B - Total Piece Count Summary (All Postage Types)</p> <p style="text-align: center; font-size: x-small;">(Round off to three decimal places)</p> <p>Total difference in pieces reported at each rate level (3) = (5) + (9) = _____ (1)</p> <p>Total number of pieces of mail reported at each rate level (1) = (4) + (7) = _____ (2)</p> <p>Error Rate = line 1 ÷ line 2 = _____ (3)</p> <p>Note: For MPTQM Mailers enter line (3) in Part D, "Today's Error Rate". For all other Mailers, if line(3) is greater than .02, enter line(3) in Part E item (5).</p>	<p style="text-align: center;">Part C - Total Permit Imprint Only Count Summary</p> <p style="text-align: center; font-size: x-small;">(Use only for authorized Combined postage payment mailings)</p> <p style="text-align: center; font-size: x-small;">(Round off to three decimal places)</p> <p>Total difference in imprint pieces reported at each rate level (3) + (6) + (9) = _____ (1)</p> <p>Total number of pieces of imprint mail reported at each rate level (1) + (4) + (7) = _____ (2)</p> <p>Error Rate = line 1 ÷ line 2 = _____ (3)</p> <p>Note: If the difference on line 1 is more than one piece AND the Error Factor is more than .015 (1.6%), complete the First-Class Mail Permit Imprint Worksheet.</p>
-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------	-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------

Part D - MPTQM Mailer Average Adjusted Error Rate (MPTQM certified mailers only. Round off to three decimal places)

Mailing#1	Mailing#2	Mailing#3	Today's Error Rate	Total Error Rate
Error Rate from Part B Line (3) <input style="width: 50px;" type="text"/>	+ <input style="width: 50px;" type="text"/>	+ <input style="width: 50px;" type="text"/>	+ _____	= _____
				÷ 1, 2, 3 or 4 = _____
				Average Error Rate

If Today's Error Rate is greater than .10 do not average. Instead insert Today's Error Rate into Part E item(5).

Part E - Postage Adjustment (Round off to three decimal places)

\$0.37 x	-	\$	=	\$	x	=	\$	+	\$	=	\$
Total Automated Pieces Reported		Total Automated Postage Claimed		Total Workshare Discount	Postage Adjustment Error Rate		Additional Postage Due (Round off to 2 decimal places)		Permit Imprint Postage Due From Permit Imprint Section B Line (6)		Additional Postage Due
(1)		(2)		(3)	(4)		(5)		(6)		(7)

Part F - Permit Imprint Piece Weights (Round off to three decimal places)

<input type="checkbox"/> Piece Weights were verified for this mailing.										
<input style="width: 50px;" type="text"/>	÷	<input style="width: 50px;" type="text"/>	x	<input style="width: 50px;" type="text"/>	x	\$0.23	=	\$	+	\$
No. of Pieces Overweight		Total No. of Pieces in Sample		Total Number of Permit Pieces in the Mailing		Current auto rate for second oz.		Additional Postage Due		Total Additional Postage Due (Part E item (7) Plus Part F item (3))
(1)		(2)		(3)		(4)		(5)		(6)

Comments

Quarterly Combined/VAR Accuracy Worksheet/Mailpiece Count Verification Log

**Quarterly Combined/VAR Accuracy Worksheet/
Mailpiece Count Verification Log**

Mailer: _____

Post Office: _____

Quarter: _____ **System Type:** VAR Combined **Class of Mail:** First-Class Standard

Fill out this worksheet each day a Combined/VAR (C/VAR) mailing is presented for acceptance. On Page 4 of this worksheet, note the reason by date for any postage adjustment or any other discrepancy. List each Postage Adjustment Amount separately and code either M for MERLIN failure or MC for Mailpiece Count Verification failure.

	A	B	C	D	E	F
	NUMBER OF C/VAR MAILINGS	NUMBER OF MERLINS PERFORMED	NUMBER OF MERLIN FAILURES	NUMBER OF MAILPIECE COUNT VERIFICATIONS PERFORMED	NUMBER OF MAILPIECE COUNT VERIFICATION FAILURES	TOTAL POSTAGE ADJUSTMENT AMOUNT
1	DATE					
2						
3						
4						
5						
6						
7						
8						
9						
10						
11						
12						
13						
14						
15						
16						
17						
18						
19						
20						
21						
22						
23						
24						
25						
26						
27						
28						
29						
30						
	Page 1 Subtotals					

Exhibit 3-10 (page 2 of 5)

Quarterly Combined/VAR Accuracy Worksheet /Mailpiece Count Verification Log

Page 2 of 5

	A	B	C	D	E	F
	NUMBER OF C/VAR MAILINGS	NUMBER OF MERLINS PERFORMED	NUMBER OF MERLIN FAILURES	NUMBER OF MAILPIECE COUNT VERIFICATIONS PERFORMED	NUMBER OF MAILPIECE COUNT VERIFICATION FAILURES	TOTAL POSTAGE ADJUSTMENT AMOUNT
31						
32						
33						
34						
35						
36						
37						
38						
39						
40						
41						
42						
43						
44						
45						
46						
47						
48						
49						
50						
51						
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61						
62						
63						
64						
65						
66						
67						
68						
69						
70						
Page 2 Subtotals						

Exhibit 3-10 (page 3 of 5)

Quarterly Combined/VAR Accuracy Worksheet /Mailpiece Count Verification Log

							Page 3 of 5
		A	B	C	D	E	F
	DATE	NUMBER OF C/VAR MAILINGS	NUMBER OF MERLINS PERFORMED	NUMBER OF MERLIN FAILURES	NUMBER OF MAILPIECE COUNT VERIFICATIONS PERFORMED	NUMBER OF MAILPIECE COUNT VERIFICATION FAILURES	TOTAL POSTAGE ADJUSTMENT AMOUNT
71							
72							
73							
74							
75							
76							
77							
78							
79							
80							
81							
82							
83							
84							
85							
86							
87							
88							
89							
90							
91							
92							
93							
94							
95							
96							
97							
98							
99							
100							
101							
102							
103							
104							
105							
106							
107							
108							
109							
110							
	Page 3 Subtotals						
	Totals Pages 1-3						

Quarterly Combined/VAR Accuracy Worksheet /Mailpiece Count Verification Log

Quarterly Combined/VAR Accuracy Worksheet/Mailpiece Count Verification Log Instructions

Complete the Quarterly Accuracy Worksheet each day a Combined/Value Added Refund mailing(s) is presented.

Header:

- System Type: Complete a separate Quarterly Accuracy Worksheet for each class of mail. Note the system type on the form.
- Complete the header information.

Columns:

Date: Enter the date. (If there are no C/VAR mailings on a day, no date is entered.)

- A. Enter the total number of C/VAR mailings presented on the date entered.
- B. Enter the number of MERLIN verifications performed.
- C. Enter the number of MERLINS failing verifications.
- D. Enter the number of Mailpiece Count Verifications performed.
- E. Enter the number of mailings failing Mailpiece Count Verification.
- F. Enter the postage adjustment amount for that day.

Column Totals:

- At the end of each quarter, total each column.

Page 4 – Reason For Discrepancy

- List each Postage Adjustment Amount separately and code either M for MERLIN or MC for Mailpiece count Verificaton failure.
- Log by date the type of error and reason for a postage adjustment (tray label errors, presort errors, mailpiece count errors, etc.).
- Use these codes for "Error Type":
 - BC – Barcode Failure
 - PS – Presort Failure
 - TL – Tray Label Failure
 - MP – Mailpiece Count Failure

Administering Postmaster.

Review entries to ensure that:

- An entry is made for each day a C/VAR mailing is presented.
- A reason is entered for each discrepancy.
- Calculations on the form are correct.
- Forward a copy of the worksheet to the BME manager at the close of each quarter.

Manager, Business Mail Entry.

Review worksheets to ensure that:

- The form is properly completed.
- The required information is recorded each day a C/VAR mailing is presented.
- Calculations are correct.
- Samplings are performed on the correct frequency.
- Critical errors are annotated.
- Take action to correct improper verification procedures and note in Section A on Page 4 the corrective actions taken to resolve errors in completing the form or performing scheduled verifications.
- Send a copy of the Quarterly MPCV Verification Log to the Business Mailer Support Analyst.

Exhibit 3-11 (page 1 of 2)

Barcode Adjustment Worksheet and Instructions — Non-MERLIN Sites

Barcode Quality Review							Page 1 of 5	
BARCODE READABILITY Postage Adjustment Worksheet FIRST CLASS MAIL								
Permit Holder				Permit Number				
Presenter of Mail				Barcode Quality Results				%
Rate Claimed	A Pieces Claimed	B Adjustment Factor (From Chart)	C Piece Adjustment (A x B)	D Postage Factor		E Postage Adjustment (C x D)		
				Letters	Flats			
LETTERS AND FLATS								
AUTO CR			pcs.	0.081	NA			
5-Digit			pcs.	0.078	0.053			
3-Digit			pcs.	0.063	0.032			
AADC			pcs.	0.054	0.02			
MXD AADC			pcs.	0.045	0.012			
POST CARDS								
AUTO CR			pcs.	0.044	NA			
5-Digit			pcs.	0.037	NA			
3-Digit			pcs.	0.03	NA			
AADC			pcs.	0.026	NA			
MXD AADC			pcs.	0.019	NA			
Total Additional Postage Due:								\$ _____
Signature of Clerk _____				Date _____				

Exhibit 3-11 (page 2 of 2)

Barcode Adjustment Worksheet and Instructions — Non-MERLIN sites

**Barcode Quality Review
Barcode Quality
Adjustment Worksheet Instructions**

1. Enter mailer name and permit number.
2. Enter number of disqualified pieces per sample.
3. Enter in Column A the number of pieces claimed at the automation prices by price category from the postage statement.
4. Enter in Column B the adjustment factor chart. Use the results from the 30-piece sample to determine the adjustment factor.
5. Enter in Column C the piece adjustment, which is derived by multiplying Column A (pieces from postage statement) by Column B (adjustment factor).
6. Enter in Column E the postage adjustment, which is derived by multiplying Column C (piece adjustment) by Column D (postage factor).
7. Total the figures in Column E. This amount is the total additional postage due.
8. Sign and date the worksheet.
9. Provide copy of test results and worksheet to customer.
10. Record additional postage payment on front of postage statement, or directly into *PostalOne!*. State reason. Add amount to Total Postage due.

Postage Adjustment Chart

Pieces Disqualified	% Read Rate	Adjustment Factor
4	86.67	.133
5	83.33	.167
6	80.00	.20
7-30		1.00

Exhibit 3-12

PS Form 8075, Mailer Notification Log for Disqualified Mailings

Note: To see PS Form 8075, click the link below:

<http://blue.usps.gov/formmgmt/forms/ps8075.pdf>

Check Processing Standard Procedures

STANDARD OPERATING PROCEDURE

Date Issued: December 7, 2007
TASK: Check acceptance policy in a BMEU

Definition: A means of ensuring all BMEUs are accepting checks properly according to Field Accounting Procedures dated August 2007

REFERENCE: F-101 *FIELD ACCOUNTING PROCEDURES* - Field units may accept personal checks, bank checks, government agency checks, business checks, traveler's checks, and American Express gift checks for customer transactions when presented with a valid photo-bearing ID.

Customer checks **must** be made payable to **US Postal Service** or **postmaster** by title.

Checks that have been mailed in for payments **must** be endorsed with the words "by mail" on the face of the check.

Non-Acceptable Checks

Do **NOT** accept the following:

- Checks in currency other than U.S. Dollars
- Checks drawn on foreign banks, unless they are drawn on a U.S. branch of that bank.
- Personal or business checks from customers whose name appears on the bad check list
- Personal or business checks without customer's name and address clearly printed on the check from the check manufacturer
- Personal or business checks without customer's telephone number
- Government agency checks without the agency name printed on the check from the check manufacturer
- Post-dated checks
- Third party checks (A check made payable to the presenter, and endorsed by the presenter on the back of the check, as payable to **US Postal Service** or **postmaster**)

RESPONSIBILITIES OF ALL BUSINESS MAIL ENTRY UNIT PERSONNEL:

Ensure the following is listed on the check:

- Driver's license or other valid government photo ID number
- Name must be imprinted on check from the printer
- Address must be imprinted on check from the printer
- Telephone number required
- Verify that the customer or business is not on the Bad Check List
- Payable to US Postal Service or postmaster by title

Acceptance employee must confirm/ensure the above information is recorded on the face of the check.

The Bad Check List must be reviewed to ensure that customer is not listed on this list. The acceptance employee must initial the upper left corner of the check after verifying that the customer is not on the Bad Check List.

Ensure the dollar amount (\$123.45) matches the written dollar amount (One Hundred Twenty Three Dollars and 45/100 dollars).

BMEU SUPERVISOR RESPONSIBILITIES:

Ensure the checks are reconciled and sent to the responsible Point-of-Sale (POS) unit by the close of business.

Exhibit 3-14 (page 1 of 4)

Determining Mailpiece Minimum Thickness**Standard Operating Procedures for Determining Minimum Thickness for Mailability and Price Eligibility**

The DMM requires that the minimum thickness for mailable matter is 0.007 inch thick. However, to qualify for certain postage price categories, the required minimum thickness may be 0.009 inch thick. To determine the minimum required thickness of a mailpiece, an acceptance employee must measure the mailpiece's height and length. If the mailpiece exceeds 4.25 inches high or 6 inches long, the mailpiece must be at least 0.009 inch thick to qualify for automation prices. However, regardless of prices, all mailpieces must be at least 0.007 inch thick (DMM Section 601.1.1).

For purposes of determining whether those pieces meet this standard, acceptance employees or mailpiece design analysts should use either a TMI digital micrometer or a portable dial hand gage to measure the thickness of the entire mailpiece in the following manner:

1. Select 10 pieces from the mailing for sampling.
2. Measure each mailpiece three times diagonally starting in the lower right corner as follows:
 - a. Measure the bottom right corner 1/2 inch from the mailpiece leading edge.
 - b. Measure the middle of the mailpiece area.
 - c. Measure the upper left corner 1/2 inch from the mailpiece edge.
3. Add all three measurements for each piece and divide by three to calculate the average thickness for each piece. If more than two of the pieces have an average thickness that falls below the minimum standards, the pieces do not meet the minimum thickness mailing standards and are not mailable.

Note: Because some pieces may contain inserts of variable shapes or be unevenly layered in design, part of the piece may fall below the 0.007 inch minimum, while the majority of the piece meets or exceeds the minimum standard. Some nonautomation flat-size pieces prepared with half- or short-covers may also vary in thickness throughout the surface of the mailpiece. The intent of this process is to accommodate pieces containing inserts of varying sizes without compromising the integrity of the minimum size standards.

Determining Mailpiece Minimum Thickness

Mailpiece Thickness Worksheet

Sample #	Thickness				Pass	Fail		
	Lower Right	Center	Upper Left	Average			NO	YES
1	0.00	"	0.00	"	0.00	"	<input type="checkbox"/>	<input type="checkbox"/>
2	0.00	"	0.00	"	0.00	"	<input type="checkbox"/>	<input type="checkbox"/>
3	0.00	"	0.00	"	0.00	"	<input type="checkbox"/>	<input type="checkbox"/>
4	0.00	"	0.00	"	0.00	"	<input type="checkbox"/>	<input type="checkbox"/>
5	0.00	"	0.00	"	0.00	"	<input type="checkbox"/>	<input type="checkbox"/>
6	0.00	"	0.00	"	0.00	"	<input type="checkbox"/>	<input type="checkbox"/>
7	0.00	"	0.00	"	0.00	"	<input type="checkbox"/>	<input type="checkbox"/>
8	0.00	"	0.00	"	0.00	"	<input type="checkbox"/>	<input type="checkbox"/>
9	0.00	"	0.00	"	0.00	"	<input type="checkbox"/>	<input type="checkbox"/>
10	0.00	"	0.00	"	0.00	"	<input type="checkbox"/>	<input type="checkbox"/>

Length _____"

Is the length greater than 6 inches? NO YES

Width _____"

Is the width greater than 4 1/2 inches? NO YES

If there is a check in the Yes column, the minimum thickness allowed is 0.009" for machinable mail.

Is this mail piece required to be at least 0.009"? NO YES

Does this mailing meet the minimum thickness requirements for the rate claimed? NO YES

If three or more pieces fail, the mailing must be withdrawn (if less than 0.007"), or entered subject to a non-machinable surcharge if not a carrier route mailing. If this is a carrier route mailing and the pieces are between 0.007" and 0.009", then non-letter rates apply.

The *Domestic Mail Manual 601.1* minimum thickness for mailable matter is 0.007 inch. However, to qualify for certain postage rate categories (e.g., automation rates for letter-size pieces exceeding 4 1/4 inches high or 6 inches long), the required minimum thickness increases to 0.009 inch thick. Therefore, to determine the required minimum thickness of a mailpiece, you must first measure its height and length to know whether it must be at least either 0.007 inch or 0.009 inch thick.

The following standard operating procedures for testing Qualified Business Reply Mail for compliance with minimum thickness standards were first published in *Postal Bulletin 21996* (4-22-99, pages 14-17). These same procedures should be followed to determine the minimum thickness for other automation-compatible and machinable mailpieces.

Nonmachinable letter-size pieces, Standard Mail Enhanced Carrier Route (ECR) line-of-travel letter-size pieces, and pieces mailed at any Standard Mail ECR flat-size rates are required to be at least 0.007 inch thick. For purposes of determining whether those pieces meet this standard, acceptance employees and mailpiece design analysts should use either a TMI digital micrometer or a portable dial hand gage to measure the thickness of the entire mailpiece in the following manner:

- Select 10 pieces from the mailing for sampling.
- Measure each mailpiece three times diagonally starting in the lower right corner as follows:
 - Measure the bottom right corner 1/2 inch from the mailpiece leading edge.
 - Measure the middle of the mailpiece area.
 - Measure the upper left corner 1/2 inch from the mailpiece edge.
- Add all three measurements for each piece and divide by three to calculate the average thickness for each piece. If more than two of the pieces have an average thickness that falls below the minimum standards, the pieces do not meet the minimum thickness mailing standards and are not mailable.

Because some pieces may contain inserts of variable shapes or be unevenly layered in design, part of the piece may fall below the 0.007 inch minimum, while the majority of the piece meets or exceeds the minimum standard. Some nonautomation flat-size pieces prepared with half- or short-covers may also vary in thickness throughout the surface of the mailpiece. The intent of this process is to accommodate pieces containing inserts of varying sizes without compromising the integrity of the minimum size standards.

- Business Mail Acceptance,
Marketing Technology and Channel Management, 9-4-03

Exhibit 3-14 (page 3 of 4)

Determining Mailpiece Minimum Thickness

PAPER THICKNESS GAUGE

MAILABILITY DETERMINATION - MINIMUM THICKNESS .007

(All letter-size mailpieces)

Name of Company: _____

Address: _____

City, State, ZIP+4: _____

BMEU Clerk: _____

MDA: _____

**TEST = 10 Samples / 3 Readings per Sample / Add and Average each set of 3 readings
More than 2 of the averages per TEST < 0.007 – Results = NON-MAILABLE at any rate**

1	2	3	4	5
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
AVG_____	AVG_____	AVG_____	AVG_____	AVG_____

6	7	8	9	10
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
AVG_____	AVG_____	AVG_____	AVG_____	AVG_____

TEST VALUES ARE ONLY VALID FOR THIS SAMPLE

DMM 101.1.1a and DMM 201.1.1.1a – All letter-size mail pieces must be at least .007" thick (January 2008)

Determining Mailpiece Minimum Thickness

PAPER THICKNESS GAUGE

**USPS AUTOMATION COMPATIBLE / MACHINABLE
LETTERS and CARDS**

Name of Company: _____

Address: _____

City, State, ZIP+4: _____

BMEU Clerk: _____

MDA: _____

TEST = 10 Samples / 3 Readings per Sample
4 Readings or more per TEST <0.007 or <0.009 Results in NON-COMPLIANCE

1	2	3	4	5
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
6	7	8	9	10
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____

TEST VALUES ARE ONLY VALID FOR THIS SAMPLE

Dimensions: For thickness, no more than 0.25" or less than
(1) 0.007 inch thick *if no more than 4-1/4 high and 6 inches long*
(2) 0.009 inch thick *if more than 4-1/4 inch high or 6 inches long, or both - DMM 201.2.1g and 201.3.2.c.2 (January 2008)*

Exhibit 3-15 (page 1 of 3)

Determining Flexibility for Flats

Testing Flexibility for Flats, part 1

2. Press down 1" from edge of piece, in center of piece width.

3. For piece in a wrapper or envelope with no contents within outer perimeter of up to 1" from outside edge, press down at a point 2" from outer edge.

4. Piece is flexible if both ends can bend at least 1" without being damaged.

1. Place the piece with the length parallel to the edge of a flat surface and extend the piece halfway off the surface.

For all flats, Part 1

Half of piece width

1"

1"

Illustration not drawn to scale.

Example of “flats” that would be considered too rigid (and therefore do not meet the flexibility requirements) boxes and box-like pieces, and tight envelopes that are completely filled to form box-like pieces.

Determining Flexibility for Flats

Testing Flexibility for Flats < 10" (part 2)

Pieces that pass first test and contain rigid objects.

2. Press down 1" from edge of piece, in center of piece width.

3. Turn piece and repeat.

4. Piece is flexible if both ends can bend at least 1" without being damaged.

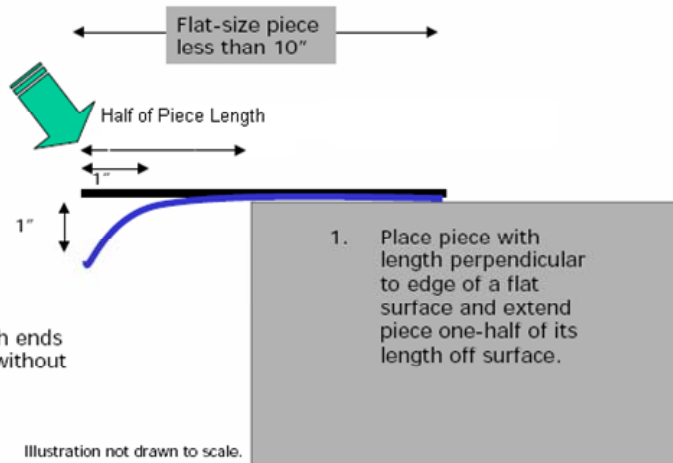
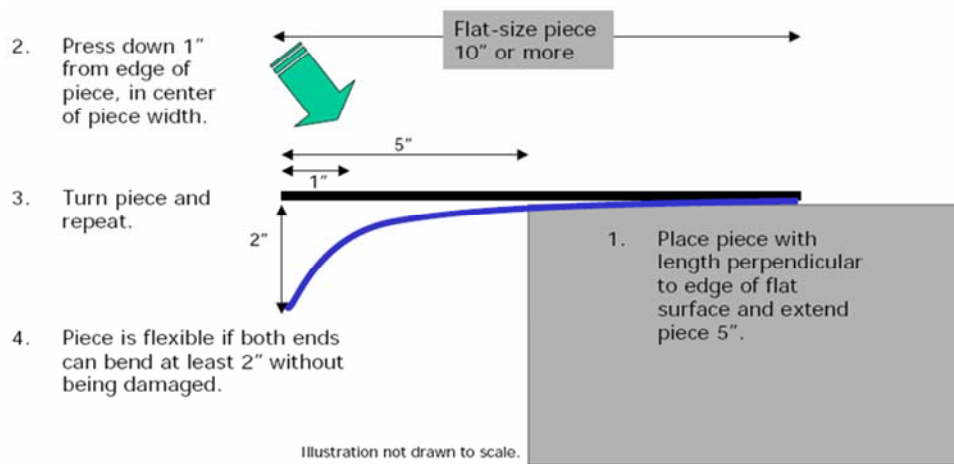


Exhibit 3-15 (page 3 of 3)

Determining Flexibility for Flats

Testing Flexibility for Flats $\geq 10''$ (part 2)

Pieces that pass first test and contain rigid objects.



Standard Operating Procedures for MERLIN Startup, Mailing Verification, and Reports

**Standard Operating Procedures for
MERLIN Startup, Mailing Verification and Printing Reports**

The acceptance employee must generate a Random Generator List (Microsoft Excel program) for selecting samples for In-Depth Verification. Print one page of the Random Generator List for each tour (Tour 1, Tour 2, etc.) and place the list in a secure location (e.g., behind BMEU counter) where customers are not able to view it.

MACHINE STARTUP

Ensure the following MERLIN components are in operating condition:

- Keyboard
- Monitor
- Suction Cups
- Feeder
- Stacker Ledge
- Camera Aperture

Record daily cleaning activities in the MERLIN maintenance log.

MERLIN Startup Testing (Go-No-Go Testing/Test Deck)

- 1) Run Go-No-Go test and record results in the maintenance log, if passed
- 2) Run MERLIN test deck
- 3) If MERLIN does not pass the Go-No-Go test after three attempts, press Ctrl–Alt–Del and power down the machine. Turn off the electrical breaker off and wait 20 minutes and turn the power back on. Reboot the machine and log on and run the Go-No-Go test again. If the test fails three attempts, notify the BMEU supervisor and log information on the activities log

BEFORE EACH VERIFICATION

Initial Verification

1. Perform initial verification for MERLIN and non-MERLIN mailings
2. Obtain gross weight, complete 8040 worksheet (Section 1 only) and proceed to sample selection

Standard Operating Procedures for MERLIN Startup, Mailing Verification and Printing Reports

Sample Selection

1. Review mailer documentation to determine the number of containers needed for a required sampling
2. Use the Random Generator List to select samples for testing (must be current date/tour)
3. Stage samples on cart according to the Random Generator List

VERIFICATION REQUIREMENTS

MERLIN Verification

1. Enter postage statement information
2. Ensure proper mailpiece orientation
3. Use the ID template to determine the appropriate print location for the mailpiece ID number
4. Check the first few pieces fed to see if the ID number is printed legibly

AFTER THE VERIFICATION

Summary Report

1. Print two copies of the MERLIN Summary Report at the completion of each test. Provide one copy to the mailer if requested. If there are error conditions reported in MERLIN, attach one copy to the postage statement. MERLIN will electronically store all MERLIN Summary Reports for 30 days.
2. On a weekly basis, MERLIN will automatically submit a weekly report to the MERLIN Maintenance and Operations Database (MMOD). The information contained in the report separately identifies MERLIN utilization for mailings of more than 10,000 pieces, and 10,000 pieces or less, for letters or flats. Below tolerance mailings are required to be finalized with the disposition, whether these mailings were accepted as recorded or accepted with adjusted values. The BME manager must monitor all MERLIN-sites and ensure units are achieving the set MERLIN goals.

Exhibit 3-16 (page 2 of 3)

Standard Operating Procedures for MERLIN Startup, Mailing Verification, and Reports**Reports with Tolerances and Consequences**

1. Presort Verification - 5%
2. Barcode Readability - 10% (80% to 89% floating scale for tolerance)
3. Shortpaid Meter Mail (First-Class Mail only) - 5%
4. Weight Verification – plus 1%
5. Print and review individual reports when errors are detected

Exception Reports — Sortation and Shortpaid

1. Contact the mailer about results of the verification and additional postage charges; provide them copies of specific reports. Advise mailer of their options for the following: retrieve mailing, rework the mailing, or pay additional postage.
2. Use the *exception reports* to validate errors and see Step #17, Verification Errors, in Exhibit 3-1, Initial and In-Depth Verification Checklist.

Barcode Readability Reports

1. If the barcode readability verification results are less than 90% for letters and flats, select the postage adjustment worksheet screen; enter data, and print the *Barcode Readability Report* and *Barcode Readability Report Adjustment Worksheet*
2. Notify the Business Mail Entry supervisor (and postmaster, when applicable) of the results
3. Contact the mailer, explain the results of the verification and the additional postage charges and provide them copies of the readability reports and the adjustment worksheets

Barcode Readability Error Report

1. Complete the *Barcode Readability Error Report Log* and *Disqualified Mail Log*

Duplicate Reports to the Mailer

1. Summary Verification Report and If errors are noted
2. Sortation Exception Reports (Presort and Shortpaid Meter)
3. Barcode Readability & Barcode Readability Report Adjustment Worksheet
4. Mailpiece Diagnostics Reports if requested

End of Day

1. Log off system and turn off monitor. Make sure that you are only logging yourself off the system and not logging the whole system off. Turn the monitor off and on using the lower center button only. Do not turn the power off to the machine.

PRINTING MERLIN REPORTS

After processing mail and Run Complete Analyze button was selected the Reports Screen is displayed. All worksheets must be maintained for 90 days.

1. Is the ERROR SYMBOL (Round Red X) showing on any tabs?
If yes, go to that tab
2. Barcode Error? If yes, go to 2a–c. If no, go to 4.
 - a. Review Automation Price Barcode Exception Report. Verify a variety of live pieces against the report. An overwrite may be performed to eliminate one or more category. The BMEU supervisor must be advised of all overwrites. Print one copy of the report and provide to the MDA after each mailing. Overwrite information is available in *PostalOne!* under “Overwrite Reports.”
 - b. Automation Price Readability - Select Preview. Select Print, print three copies, 1 is attached to postage statement, 1 is sent to mail preparer 1 is sent to the MDA. OK- Exit — Proceed to 2c.
 - c. Highlight Automation Price Barcode Readability Adjustment Worksheet. Select Preview. Print two copies, 1 is attached to postage statement, 1 is sent to mail preparer, Clerk must sign and date the bottom of each adjustment worksheet — OK — Exit.
3. Automation Price Barcode Digit String? If yes, review the MPID number to locate piece and validate that the barcode on the piece is in error. You must decode the barcode. If there are any errors for either “0000” or “9999,” the mailing will not be eligible for a barcode price. Print 2 copies of Automation Price Barcode Digit String Report and attach one to the postage statement and provide the other to the customer. Highlight Automation Price Barcode Readability Adjustment Worksheet. Select Preview.

Standard Operating Procedures for MERLIN Startup, Mailing Verification, and Reports

4. Detail Barcode Report Tab?
 - a. Open Automation Rate Barcode Components Preview— Print Two Copies, attach one to postage statement and send second copy to MDA — OK — Exit
 - b. Open Barcode Error Listing Report. Print two copies, attach one postage statement and send second copy to MDA — OK — Exit
5. Mailpiece Diagnostics? If yes, go to 5a. If no, go to 6.
 - a. Pick a piece from the 5 mailpieces listed. Preview - All Layer - Go to the last page first. Compare live mailpiece to the physical components (height, length, aspect ratio, thickness, weight). If the mailpiece length is different from the live mailpiece look at the next mailpiece that was run. It probably does not have a piece ID number because it went through as a double and the piece slid making the length longer than it truly was.
6. Presort Error? If yes, go to 6a. If no, go to 6b.
 - a. Presort Verification will already be highlighted. Select Preview. Review PS Form 2866 for errors. Were errors true errors (not SCF exceptions, clerk run errors)? Were errors over 5%? If yes, print 1 copy and attach to postage statement. Complete "Disposition of Mailing" area in the lower right of PS Form 2866, annotate authorizing the additional postage charges. Print the Sort Exceptions Report.
 - b. Overwrite Errors—Exit—Review PS Form 2866 again to make sure overwrite was accepted. (TIP) If errors are found you look at those errors under Sort Exception. You can find this an easier way to find the exact error in a particular tray/sack. The BMEU supervisor must be advised of all overwrites.
7. Summary Verification Report: If necessary, provide to the mailer, if requested, the postage statement with the name of the mailer's representative.

Note: Maintenance activities other than those described above must only be performed by maintenance staff certified to perform MERLIN maintenance by completing MERLIN maintenance course # 5560150. All maintenance activities must be recorded in the activities log.

Exhibit 3-17 (page 1 of 5)

MERLIN Reports**MERLIN REPORTS**

MERLIN produces a variety of reports based on analysis of the sample run. Some reports are used as diagnostic information to assist in improving the overall quality of the mail by providing feedback to the mailer. Postage adjustment reports relate directly to verifications that determine the acceptability of the mailing. Postage adjustment reports provide detailed information on the causes of any errors found in the sample.

Summary Verification Report

The **Summary Verification Report** is printed each time a MERLIN run has been completed. The report recaps all verifications conducted during the MERLIN test and indicates any variations that are outside of U.S. Postal Service tolerances. This is printed and returned to the mailer each time a test is conducted.

The **Summary Verification Report** shows the types of verifications run on the sample, the USPS acceptance rate and the MERLIN test result for each verification. If a verification results in a postage price adjustment, the postage due is also shown.

The **Summary Verification Report** also displays system information and mailer information as entered by the MERLIN operator. An icon showing the piece orientation is shown in the upper right corner of the report. MERLIN produces a variety of reports based on analysis of the sample run designed to assist the acceptance clerk in verifying a mailing.

Diagnostic Reports

Diagnostic characteristics are those that are checked only to evaluate a mailing and assist the mailer in correcting mailpiece problems. There is no associated postage adjustment based solely upon the reported score of a diagnostic test. The following are the current diagnostic tests performed:

1. Address Accuracy (or Move Up Date/Delivery Point Validation — MUDPV)
2. Meter Date
3. Automation Price Barcode Readability
4. Mailpiece Characteristics
5. Enhanced Carrier Route (ECR) Sequence

A Diagnostic Report may disqualify a mailing for a specific price if the mailing does not meet applicable standards. For example, the Mailpiece Characteristics report may show that a mailing was entered as a letter, but is actually a flat. In this case the BME Clerk would perform a secondary physical verification of this characteristic. Based upon the results of this secondary test, the postage would be adjusted accordingly.

Address Accuracy Report

The **Address Accuracy Report** identifies mailpieces with delivery point barcodes that do not match the address on the mailpiece. The report lists pieces by tray or sack number and mailpiece identification number. The report is currently a diagnostic tool, but may be used to improve address accuracy in mailer databases.

Move Update — Point Validation Report (MUDPV) - PBV ONLY

For *PostalOne!* sites, MERLIN will scan addresses of mailpieces. The addresses are then sent to the NCSC where the addresses are matched in a USPS address database. The results of this address are then reported back to MERLIN and *PostalOne!*

Mailpiece Characteristics Report

Mailpieces must have specific characteristics to be processed efficiently. Characteristics include height, length, thickness, weight, and aspect ratio. MERLIN verifies all of these attributes to ensure that mailpieces meet the prices claimed. If MERLIN identifies mailpieces that do not meet thickness or aspect ratio, clerks must verify failure by using standard operating procedures for measuring thickness or aspect ratio or confirming weight on sampled pieces. Refer to *SOP — Aspect Ratio and Thickness*.

The **Meter Date Recognition Report** contains information concerning the number of items in the sample with meters, the number with correct dates and the percentage of those with correct dates. It also lists the exceptions, by tray number and ID number, along with the meter date information that MERLIN recognized. No postage adjustment is calculated as an output of this report.

MERLIN Reports

Automation Price Barcode Readability Report

Automation Price Barcode Readability Report describes summary information about the Automation Price barcodes in a mailing run, and specific mailpiece Automation Price barcode discrepancies. No postage adjustment is calculated as an output of this report.

Enhanced Carrier Route (ECR) Sequence

(ECR) Sequence Report verify mail routes are in walk sequence.

Postage Adjustment Reports

Currently, the USPS assesses additional postage for poor quality in:

1. Automation Price Barcode Readability
2. Presort Verification (PS Form 2866)

Each of these verifications must meet USPS acceptance rates within published tolerances.

Note: MERLIN can perform metered First-Class Mail reviews, however USPS requires that acceptance employees perform metered First-Class Mail reviews manually. DO NOT use MERLIN for metered First-Class Mail reviews and DO NOT use PS Form 6116 on MERLIN.

Automation Price Barcode Readability Reports

MERLIN compares recognized printing characteristics to conduct barcode quality analysis. These characteristics include height, width, pitch, spacing, bars per inch, rotation, skew, placement, and clearance. These reports are evaluated to ensure compliance with USPS requirements and standards in accordance with the following tolerances:

1. If the mailing scores 90% or higher, the mailing qualifies for automation prices.
2. If the mailing scores between 80–89%, a partial automation price is given.
3. If the mailing scores 79% or less, it does not qualify for automation prices.

Eight reports are related to barcodes:

1. **Automation Price Barcode Readability Report** describes summary information about the automation price barcodes in the mailing sample, and provides specific mailpiece automation price barcode discrepancies.
2. **Expanded Barcode Readability Report** displays up to four binary barcode images of the mailpieces for each error type listed in the report legend.
3. **Aggregated Barcode Error Report** lists mailpieces with barcode errors, barcode quality errors, and warnings.
4. **Barcode Readability Report Legend** appears in Automation Price Barcode Readability Reports and includes barcode error tallies in the following categories:
 - a. Unrecognized Barcode.
 - b. Recognized but not Analyzed Barcode.
 - c. Incorrect Check Digit.
5. **Automation Price Barcode Readability Report Adjustment Worksheet** provides information about the acceptability of barcode entries in a mailing. It also calculates the postage adjustment required based on problems with barcode readability.
6. **Automation Price Barcode Exceptions Report** divides all barcode errors into four categories:
 - a. *Barcode Location Failure* - The barcode located in the address block or in the Barcode clear zone is located outside of the specified limits for those areas of the envelope.
 - b. *Barcode Quality Failure* - Any number of barcode component errors associated with the quality of the printed barcode. This category cannot be overwritten.
 - c. *Recognized but not Analyzed Barcode* - MERLIN was able to identify and read a barcode, but was unable to evaluate it for quality and location failure. Pieces found in this category are considered as failures in the barcode readability report. Prior to overwriting any pieces in this category, the pieces must be manually verified for quality and location.
 - d. *Unrecognized Barcode* - No barcode was found on the mail item.

The overwrite capabilities of this report only apply to the categories of: Barcode Location Failure, Recognized but not Analyzed Barcode, and Unrecognized Barcode. Individual mail items cannot be overwritten; however, no items listed under Barcode Quality Failure can be overwritten.

7. **Automation Price Digit String Report** contains a line item for each error category. Report will display MPID for any invalid ZIP+4 of "0000" or invalid ZIP+4 of "9999" errors.

Exhibit 3-17 (page 3 of 5)

MERLIN Reports**Permit Imprint Piece Count Reports**

Identical weight pieces for Permit Imprint mailings must be verified by weight to ensure that the correct postage has been paid. Acceptance clerks must verify piece counts, gross weight, and net weights to confirm that the piece count is accurate.

MERLIN weighs each piece and calculates the number of pieces based on the net weight of the mailing divided by its piece weight.

These reports are evaluated to ensure compliance with USPS requirements and standards in accordance with the following tolerances:

1. If the mailing scores 99% or higher, the mailing is accepted without an adjustment.

There are two reports related to Permit Imprint Piece Count:

2. **Business Mail Acceptance Worksheet** is used for identical permit imprint mailings only. This report shows information related to the weight verification of the mailing. This includes, total (gross) weight, tare weights, number and type of containers and calculations used to determine the USPS piece count for comparison to the mailers piece count.

Note: Acceptance employees are required to use PS Form 8040 in *PostalOne!* and NOT in MERLIN. DO NOT use PS Form 8040 in MERLIN.

3. **Business Mail Exceptions Report** provides detailed information about a mail run, as well as the individual information about mailpieces whose measured weight was excluded from the samples average weight. Pieces may be excluded due to double-feeds or other conditions that caused the pieces to be out-of-sync with other pieces weighed.

Presort Verification Reports

MERLIN can verify the sortation composition of below retail price mailings. It examines tray labels, package sortation, and container sortation according to Domestic Mail Manual requirements for First-Class Mail, Standard Mail, and Periodicals.

These reports are evaluated to ensure compliance with USPS requirements and standards in accordance with the following tolerances:

1. If the mailing scores 95% or higher, the mailing qualifies for claimed presort rates.

There are two reports related to Presort Verification:

1. **Presort Verification Report (PS Form 2866)** summarizes errors contained in a presort mailing. It also provides a calculation of the costs and a record of the disposition.
2. **Sortation Exception Report** describes sortation error information about a mailing based on ZIP destination or tray piece count and also individual mailpiece errors identified by MERLIN.

Overwrite Procedures and Reports

Overwrite procedures for each of the verification reports allow the operator to correct any false errors identified in the verification process. All overwrites must be documented. If a change to the MERLIN results is warranted, follow the procedures below.

Presort Verification Overwrite

There are some instances where a presort error detected by MERLIN is not accurate due to a system or human error. For example, a local SCF tray contains less than 150 pieces; the operator did not use package separators; the operator neglected to scan a tray or sack label.

If any presort errors are detected, the MERLIN operator must review the errors and the mail sampled. If it is determined that MERLIN incorrectly identified an error, an overwrite may be performed.

Perform an Overwrite (Presort Verification PS 2866)

After the verification has been performed and the operator has reviewed the report and determined that errors in the report need to be corrected, follow these procedures:

1. Print out the original reports with errors, including the Presort Verification Report (PS Form 2866) and Presort Exception Report. This is done for documentation purposes.
2. Select the "Overwrite" button from the Presort Reports Tab.
3. If individual errors are to be overwritten:
 - a. Select the row to be overwritten by placing pointer in the left-most gray box and clicking with the left mouse button.
 - b. Select the "Overwrite Error" button in the lower left portion of the screen. The selected row should change from False to True.
 - c. Select the "OK" button. MERLIN will automatically close the Overwrite Screen and update the Presort Verification Report (PS2866).

MERLIN Reports

4. If all rows are to be overwritten, select "Set All." All fields in the overwrite column should change to true.
 - a. Select the "OK" button. MERLIN will automatically close the Overwrite Screen and update the Presort Verification Report (PS Form 2866).

Shortpaid Overwrite

Errors detected by MERLIN must be confirmed by the MERLIN operator by comparing the actual mailpiece against the exceptions reports. If the error cannot be confirmed an overwrite may be performed. The metered First-Class Mail - Shortpaid Mail Sampling Worksheet (PS Form 6116) has an overwrite feature associated with it that is almost identical to the Presort Overwrite feature.

The shortpaid overwrite screen lists all shortpaid errors found within the sample that are listed in the Shortpaid Exception Report. To overwrite an error, follow the instructions on Exhibit 3-4, "PS Form 6116, First-Class Metered Mail Shortpaid Sampling Worksheet".

Automation Price Barcode Failure Overwrites

There are some instances where an error detected by MERLIN is not accurate. For example: a barcode location error is detected on a piece with a dark border; MERLIN reports "barcode location error" and upon close review all aspects of barcode are correct.

The Automation Price Barcode Errors listed in the Automation Price Barcode Exceptions Report are reported in four categories Barcode Location, Barcode Quality, Recognized But Not Analyzed Barcode, and Unrecognized Barcode.

Performing a POSTNET Barcode Overwrite enables the operator to overwrite all of the mail items listed under any of the categories with exception to Barcode Quality Failures.

1. *Barcode Location Failure* - The barcode should be located in the address block or in the Automation Price clear-zone but is located outside the areas.
2. *Barcode Quality Failure* - Any number of barcode component errors associated with the quality of the printed barcode. For a complete listing of possible quality errors refer to the Automation Price Barcode Readability Report. Pieces listed in this category cannot be overwritten.
3. *Recognized, But Not Analyzed* - MERLIN was able to identify and read a barcode, but was unable to evaluate it for quality or location failure. Pieces found in this category are considered as failures in the barcode readability report. Prior to overwriting any pieces in this category, the pieces must be manually verified for quality and location.
4. *Unrecognized Barcode* - No barcode was found on the mail item.

Perform an Overwrite (Automation Price Barcode)

To overwrite a barcode failure error, follow the steps below:

1. Print out the original reports with errors, including the Automation Price Barcode Readability Report Adjustment Worksheet, Automation Price Barcode Readability Report and Automation Price Barcode Exceptions Report. This is done for documentation purposes.
2. Manually evaluate the Automation Price barcodes of the pieces listed in the failure category to be overwritten in the Automation Price Barcode Exceptions Report:
Note: If two barcodes exist on a mail item, one in the address block and one in the barcode clear zone, MERLIN defaults to use the barcode located in the clear zone for all evaluation purposes.
3. If the evaluation proves that the barcodes are not in error, select the "Overwrite" button from the barcode reports tab.
4. Select the category (s) to overwrite from the Automation Price Barcode Overwrite Screen.
5. Select the "OK" button from the Automation Price Barcode Overwrite Screen. MERLIN automatically updates the Automation Price Barcode Readability Report, Automation Price Barcode Exceptions Report, and the Automation Price Barcode Readability Report Adjustment Worksheet.
6. Select the category (s) to overwrite from the Automation Price Barcode Overwrite Screen.
7. Select the "OK" button from the Automation Price Barcode Overwrite Screen. MERLIN automatically updates the Automation Price Barcode Readability Report, Automation Price Barcode Exceptions Report, and the POSTNET Barcode Readability Report Adjustment Worksheet.
8. Print the Overwrite Summary Report and file with postage statement.

Exhibit 3-17 (page 5 of 5)

MERLIN Reports***MERLIN Report Matrix***

The following matrix lists all MERLIN verification reports and their associated type and overwrite capabilities.

Report Name	Report Type	Overwrite Capable
Summary Verification Report	Summary	No
Address Accuracy Report	Diagnostic	No
Mailpiece Characteristics Report	Diagnostic **This report is for diagnostic purposes however mailings may be disqualified from earning claimed prices based on this report.	No
Meter Date Recognition Report	Diagnostic	No
Automation Price Barcode Readability Report	Diagnostic	No
Automation Price Barcode Readability Report	Postage Adjustment	Yes
Expanded Barcode Readability Report	Postage Adjustment	No
Aggregated Barcode Error Report	Postage Adjustment	No
Barcode Readability Report Legend	Postage Adjustment	No
Automation Price Barcode Readability Report Adjustment Worksheet	Postage Adjustment	Yes
Automation Price Barcode Exceptions Report	Postage Adjustment	Yes
Automation Price Digit String Report	Postage Adjustment	No
Business Mail Exceptions Report	Postage Adjustment	No
Presort Verification Report (PS Form 2866)	Postage Adjustment	Yes
Sortation Exception Report	Postage Adjustment	No

Exhibit 3-18
MPTQM Merlin Presort Failure Rolling Average Worksheet

MPTQM Environment MERLIN Presort Verification Rolling Average Worksheet														
Mailer Name: _____			Date: _____											
Part A														
1. Clear previous mailing data from worksheet and enter required data in all "White" colored cells. 2. Beginning with MERLIN results from the 3 mailings prior to today, enter Presort Error Percent as a decimal number. (Example: Enter 3.25% as 3.25) 3. If the current day (Today) is greater than 10%, do not use the rolling average. Proceed to Part B and use the current (Today) presort error percent to complete Part B .														
<table border="1" style="width: 100%; border-collapse: collapse; text-align: center;"> <tr> <th style="width: 20%;">Mailing #1</th> <th style="width: 20%;">Mailing #2</th> <th style="width: 20%;">Mailing #3</th> <th style="width: 20%;">Today</th> <th style="width: 20%;">Average</th> </tr> <tr> <td style="height: 20px;"></td> <td></td> <td></td> <td></td> <td></td> </tr> </table>					Mailing #1	Mailing #2	Mailing #3	Today	Average					
Mailing #1	Mailing #2	Mailing #3	Today	Average										
4. If the Average is 4% or less, no postage adjustment is required. Provide mailer with copy of MERLIN results. 5. If the Average is greater than 4%, complete Part B .														
Part B														
1.	<table border="1" style="width: 100%; border-collapse: collapse; text-align: center;"> <tr> <th style="width: 25%;">Average from Part A or >10%</th> <th style="width: 25%;">Total Presort Pcs from Post. State.</th> <th style="width: 25%;">Pieces in Error</th> </tr> <tr> <td style="height: 20px;"></td> <td></td> <td></td> </tr> </table>				Average from Part A or >10%	Total Presort Pcs from Post. State.	Pieces in Error							
Average from Part A or >10%	Total Presort Pcs from Post. State.	Pieces in Error												
Skip 2a if there are no 2- and 3-oz permit imprint pieces in mailing. If 2- and 3-oz permit imprint pieces are part of the mailing, then it will be necessary to adjust "Total Presort Postage from Postage Statement" to account for these pieces. Complete the following cells to make that adjustment and then enter the results in 2b "Total Presort Postage from Postage Statement" cell.														
2a.	<table border="1" style="width: 100%; border-collapse: collapse; text-align: center;"> <tr> <th style="width: 25%;">Total Presort Postage from Post. State.</th> <th style="width: 25%;">Total 2-Oz Pieces</th> <th style="width: 25%;">Total 3-Oz Pieces</th> <th style="width: 25%;">Adjusted Total Presort Postage</th> </tr> <tr> <td style="height: 20px;"></td> <td></td> <td></td> <td></td> </tr> </table>				Total Presort Postage from Post. State.	Total 2-Oz Pieces	Total 3-Oz Pieces	Adjusted Total Presort Postage						
Total Presort Postage from Post. State.	Total 2-Oz Pieces	Total 3-Oz Pieces	Adjusted Total Presort Postage											
2b.	<table border="1" style="width: 100%; border-collapse: collapse; text-align: center;"> <tr> <th style="width: 25%;">Total Presort Postage from Post. State. Or Adjusted Postage from 2a.</th> <th style="width: 25%;">Total Presort Pcs from Post. State.</th> <th style="width: 25%;">Average Qualifying Rate Claimed</th> </tr> <tr> <td style="height: 20px;"></td> <td></td> <td></td> </tr> </table>				Total Presort Postage from Post. State. Or Adjusted Postage from 2a.	Total Presort Pcs from Post. State.	Average Qualifying Rate Claimed							
Total Presort Postage from Post. State. Or Adjusted Postage from 2a.	Total Presort Pcs from Post. State.	Average Qualifying Rate Claimed												
3.	<table border="1" style="width: 100%; border-collapse: collapse; text-align: center;"> <tr> <th style="width: 20%;">Applicable Single Piece Rate</th> <th style="width: 20%;">Average Qualifying Rate Claimed</th> <th style="width: 20%;">Average Difference</th> <th style="width: 20%;">Pieces in Error</th> <th style="width: 20%;">Additional Postage Due</th> </tr> <tr> <td style="height: 20px;">\$0.41</td> <td></td> <td></td> <td></td> <td></td> </tr> </table>				Applicable Single Piece Rate	Average Qualifying Rate Claimed	Average Difference	Pieces in Error	Additional Postage Due	\$0.41				
Applicable Single Piece Rate	Average Qualifying Rate Claimed	Average Difference	Pieces in Error	Additional Postage Due										
\$0.41														
Acceptance Clerk Signature: _____			Date: _____											
TA 8-2-06														

Chapter 5 — Periodicals

Exhibit 5-1

Periodicals Application Cover Checklist

PERIODICALS APPLICATION COVER CHECKLIST

SUBMIT WITH FILE IN THE ORDER BELOW TO PCSC.

CIRCLE THE TYPE OF PUBLICATION

GENERAL
 REQUESTER
 INST & SOC (NO AD)
 INST & SOC (ADV)
 FOREIGN

APPLYING FOR SPECIAL RATES

TITLE OF PUBLICATION _____

REQUIRED SUBMISSION *

	<u>GENERAL</u>	<u>REQUESTER</u>	<u>INST & SOC (NO AD)</u>	<u>INST & SOC (ADV)</u>	<u>FOREIGN</u>
<input type="checkbox"/>	PS FORM 3500 *	PS FORM 3500 *	PS FORM 3500 *	PS FORM 3500 *	PS FORM 3500 *
<input type="checkbox"/>	PS FORM 3510	PS FORM 3510	PS FORM 3510	PS FORM 3510	PS FORM 3510
<input type="checkbox"/>	MARKED COPY *	MARKED COPY *	MARKED COPY *	MARKED COPY *	MARKED COPY *
<input type="checkbox"/>			CONS/ BY LAWS, ETC. *	CONS/ BY LAWS, ETC. *	ENGLISH TRANS.
<input type="checkbox"/>	SPECIAL RATE DOC.			SPECIAL RATE DOC.	SPECIAL RATE DOC.
<input type="checkbox"/>	PRINT ORDER *	PRINT ORDER *	PRINT ORDER *	PRINT ORDER *	PRINT ORDER *
<input type="checkbox"/>	AUDIT BUR. LTR.	AUDIT BUR. LTR.			
IF AUDIT BUREAU REVIEW, STOP HERE !					
<input type="checkbox"/>	PS FORM 3548 *	PS FORM 3548 *			PS FORM 3548 *
<input type="checkbox"/>	PS FORM 3548 -S *	PS FORM 3548-R *			PS FORM 3548 -S *
<input type="checkbox"/>	2 SUB CARDS *	2 REQ. CARDS *			2 MEMB CARDS
<input type="checkbox"/>			TELE/INTERNET DOC.		
<input type="checkbox"/>	PAYMENT DOC. *			PAYMENT DOC. *	
<input type="checkbox"/>	NEWSSTAND DOC.			NEWSSTAND DOC.	
<input type="checkbox"/>	OTHER PAID			OTHER PAID	
<input type="checkbox"/>	OTHER INFO	OTHER INFO	OTHER INFO	OTHER INFO	OTHER INFO

COMMENTS: _____

Exhibit 5-2 (page 1 of 2)
PS Form 3503 Record of Deposits Made While application Is Pending


		Record of Deposits Made While Periodicals Application Is Pending	
Post Office _____		Date _____	
Publication's Name and Number _____		USPS _____	
Issue Frequency _____			
Publisher's Name _____			
<p>Under the application provisions explained in <i>Domestic Mail Manual (DMM) E216</i> the publisher has filed an application for periodicals authorization for this publication. Copies are to be accepted in the manner in which periodicals matter is mailed until the Manager, Rates and Classification Service Center, either approves or disapproves the application. The publisher must deposit an amount sufficient to pay postage for each mailing at the applicable standard mail (A) or standard mail (B) rates, computed on each individually addressed copy or on each package of unaddressed copies. If the periodicals rates are higher than the applicable standard mail (A) or standard mail (B) rates, the publisher must deposit enough money in the advance account to cover the periodicals postage charges. This form must be included as part of the permanent official files maintained at your office for this publication.</p>			
Statement of Account and Receipt for Refund <i>(To Be Completed Only After the Postmaster Has Been Informed That the Application Has Been Approved)</i>			
Post Office _____		Date _____	
Amount of Money Received on Deposit While Application Was Pending _____		\$ _____	
Amount of Postage Paid at Periodicals Rates _____		\$ _____	
Balance of Deposits to Be Refunded or Transferred to Publisher's Account Number _____		\$ _____	
<input type="checkbox"/> Refunded <input type="checkbox"/> Transferred Account Number _____			
Signature of Postmaster _____			
Received Balance Shown From the Postmaster at the Office Named Above		Signature of Publisher or Check Number _____	
Instructions to Postmasters			
<p>1. Prepare this form in duplicate. Enter the information requested on the reverse side at the time of each mailing. The publisher must file Form 3541-R, <i>Statement of Mailing-Periodicals Regular and Science-of Agriculture Rates</i>, or Form 3541-N, <i>Statement of Mailing-Periodicals Special and Classroom Rates</i>, in triplicate for each mailing. Complete the applicable mailing statement to show the postage computed at the appropriate standard mail (A) or standard mail (B) rates on the copies mailed while the application for periodicals mail privileges is pending.</p> <p>2. Of the deposits of money collected under this arrangement, the postage due at the periodicals rates (<i>including the publishers' periodical rates</i>) must be posted as periodicals revenue in AIC 135, Periodicals and Requester Publication Postage.</p> <p>3. When informed that an application has been approved, no adjustments need to be made unless copies of an issue mailed while the application was pending did not qualify for the periodicals rates. Such copies will be subject to postage at the applicable standard mail (A) or standard mail (B) or regular printed matter international rates. Deduct the difference in postage between the periodicals rates charged and the amount due at the applicable standard mail (A) and standard mail (B) or regular printed matter international rates and report it in AIC 130, Standard Mail (A) Permit Imprint Regular Rate, or any other appropriate AIC. Refund the amount remaining in trust. As soon as the Statement of Account has been completed by the postmaster and the receipt for the amount refunded has been signed by the publisher or a check issued to the publisher, this form must be filed at the office of mailing with one copy of each Form 3541-R or Form 3541-N issued while the application was pending.</p>		<p>4. When informed that an application has been disapproved, compute the additional amount due at the applicable standard mail (A) or standard mail (B) rates, or at regular printed matter international rates. Deduct from the deposits the difference in postage between the amount due at those rates and the amount charged at the periodicals rates. Post the amount of the difference in postage in AIC 122, Pending Periodicals Denied. If an excess of standard mail (A) or standard mail (B) deposits remains, it should be refunded. The original of this form must be filed at the office of mailing.</p> <p>5. If the application is approved and the total amount computed at periodicals rates is higher than the standard mail (A) or standard mail (B) rates, no refund will be made unless there is an excess amount remaining in the advance deposit account. Appropriate documentation must be filed with Form 3503 to support that the refund is due and has been properly calculated. In these cases, no entry is posted to AIC 122.</p>	
<p>PS Form 3503, September 1994</p>			

Exhibit 5-3 (page 1 of 2)

Advertising Calculation Worksheet

ADVERTISING CALCULATION WORKSHEET									
PUBLICATION NAME									
ISSUE DATE				ISSUE NO.			VOL. NO		
page	Adv inch	page	Adv inch	page	Adv inch	page	Adv inch	page	Adv inch
1		26		51		76		101	
2		27		52		77		102	
3		28		53		78		103	
4		29		54		79		104	
5		30		55		80		105	
6		31		56		81		106	
7		32		57		82		107	
8		33		58		83		108	
9		34		59		84		109	
10		35		60		85		110	
11		36		61		86		111	
12		37		62		87		112	
13		38		63		88		113	
14		39		64		89		114	
15		40		65		90		115	
16		41		66		91		116	
17		42		67		92		117	
18		43		68		93		118	
19		44		69		94		119	
20		45		70		95		120	
21		46		71		96		121	
22		47		72		97		122	
23		48		73		98		123	
24		49		74		99		124	
25		50		75		100		125	

Business Mail Acceptance

Exhibit 5-3 (page 2 of 2)

Advertising Calculation Worksheet

TOTAL <u> 0 </u>		TOTAL <u> 0 </u>		TOTAL <u> 0 </u>		TOTAL <u> 0 </u>		TOTAL <u> 0 </u>	
printed column height in inches	0		printed inches across page	0	NOTE: Use column inches OR square inches NOT BOTH				
X number of columns	0		X printed inches top to bottom	0					
equals total inches per page	0		equals square inches per page	0					
X total pages	0		X total pages	0					
equals total inches per issue	0		equals total inches per issue	0					
supplement total inches	0		supplement total inches	0					
supplement advertising inches	0		supplement advertising inches	0					
equals grand total inches	0		equals grand total inches	0					
NOTE: If calculating advertising by total pages, place the number 1 in blocks D35 and D36.									
POST OFFICE VERIFICATION					PUBLISHER REPORTED				
INCHES		PERCENT		INCHES		PERCENT		ERROR %	
ADV	<u> 0 </u>	0.00%	ADV	<u> 0 </u>	0.00%			0.00%	
NON	<u> 0 </u>	0.00%	NON	<u> 0 </u>					
TOTAL	0	0.00%	TOTAL	0					
SUPPLEMENTS AND ENCLOSURES									
SPACE BELOW IS USED FOR ADVERTISING PORTION OF SUPPLEMENTS, ENCLOSURES AND ODD SIZE PAGES									
ENTER TOTAL SUPPLEMENT(S) INCHES IN BLOCK D40 OR I40									
1	<u> 0 </u>	4	<u> 0 </u>	7	<u> 0 </u>	TOTAL <input style="width: 80px;" type="text" value="0"/>			
2	<u> 0 </u>	5	<u> 0 </u>	8	<u> 0 </u>				
3	<u> 0 </u>	6	<u> 0 </u>	9	<u> 0 </u>				
NOTE: For publications with more than 124 pages, place the total number of advertising inches for the first 124 pages (from Block B46 or G46) into the block for page 125. Clear the entries for the first 124 pages. Enter the advertising inches for page 125 into the block for page 1, page 126 into the block for page 2, and so on.									

Exhibit 5-4 (page 1 of 2)

Computing Advertising Percentage Checklist**Standard Operating Procedures for Computing Advertising Percentage in Periodicals**

The method selected to compute the percentage of advertising must be applied to the entire publication. Attempts to combine methods will result in the wrong conclusion. Unless a publication has easily identifiable page increments (full page, 1/2 page, 1/4 page, etc.) that are easily computed in Method 1, or the same number of columns on each page that are easily computed in Method Two, it is suggested Method 3 be used for the most accurate conclusion.

In computing advertising percentage, include everything considered advertising even if the publisher or mail preparation agent did not mark it as an ad. The burden of proof rests with the publisher to prove advertising or editorial content. The computed percentage of advertising, regardless of the method used, must be within (plus or minus) 3% of the advertising claimed by the publisher.

Method One: Page Measurement**Step One: Establish total number of pages of publication**

1. Count all pages to arrive at the total number of pages in the publication issue. Remember to include both sides of any front and back covers as pages.

Step Two: Establish total pages of advertising

1. Count all page increments of advertising (full, 1/2, 1/4, etc.).
2. Add all increments to determine the total number of pages devoted to advertising.

Step Three: Establish percentage of advertising

1. Divide the total advertising increments by the total pages to arrive at the advertising percentage. The percentage should be rounded to two decimal places.

Note: Only publications printed on pages of the same size and a limited number of advertising page increments are designed to allow advertising to be calculated by this method.

Method Two: Column Inch Measurement

In publications that do not have numerous supplements the column inch method provides an easy way to measure advertising. This method uses a standard number of columns per page when computing the percentage of advertising.

Step One: Determine a "standard number of columns" per page

1. Count the number of pages containing the same numbers of columns.
2. Select the column count appearing on the most number of pages. This becomes the standard number of columns on a page.

For example: a publication has 12 pages. 8 pages have 2 columns, 2 pages have one column, 1 page has 15 columns, and the last page has 8 columns. Since most of the pages (8) have two columns, the standard number of columns in this publication is 2.

Step Two: Establish total column inches of publication

1. Pick a page that has the "standard number of columns".
2. Measure the length of the printed surface of a column on that page and multiply this number by the standard number of columns per page. This establishes the number of column inches per page.
3. Multiply the number of column inches per page by the number of pages in the publication. This is the total column inches in the publication.

Step Three: Establish total column inches of advertising

1. Measure the length of each advertisement in each column on each page of the publication.
2. Add all advertising column inches in the publication.

Step Four: Establish percentage of advertising

1. Divide the total advertising column inches by the total column inches to determine the advertising percentage for the publication. Round off to two decimal places.

Computing Advertising Percentage

Method Three: Square Inch Measurement

The square inch method provides us with the most accurate measurement result. It must be used if the printed surface of the pages of a publication is of a variety of column lengths and/or widths, or if there are supplements of various sizes in the publication.

Step One: Establish total square inches of the publication

1. Choose any page of the publication except the front page or cover, or any supplements to the publication.
2. Measure the length and width of the printed surface of each page. Do not include the margins around the top, bottom, and sides of the page measurement.
3. Multiply the length measurement by the width measurement to arrive at the total square inches on a page.
4. Multiply the total square inches on the page by the number of pages in the publication to determine the total square inches.

Note: For publications with a supplement(s) of a size(s) other than that of the host publication, perform the steps above for each size supplement and then add the total square inches of the supplements to the total square inches of the host publication. For advertising supplements, remember to include the measurement in Step Two when computing advertising square inches.

Step Two: Establish total square inches of advertising

1. Measure the length and width of the advertising on each page.
2. Multiply the length by the width of each advertising space measured.
3. Repeat this process until all advertising space on each page of the publication has been measured.
4. Add all advertising square inches to determine the total advertising square inches in the publication. Remember to include advertising contained in supplements.

Step Three: Establish percentage of advertising

1. Divide the total advertising square inches by the total square inches in the publication to determine the advertising percentage. Round off to two decimal places

Exhibit 5-5 (1 of 2)
Annual Verifications Checklist

ANNUAL VERIFICATIONS CHECKLIST

Publication _____
_____

ADVERTISING VERIFICATION

Issue Date _____
Initials _____
Adv. % Claimed _____ Adv. % Verified _____
Adv. % Difference _____ Initials _____

75% ADVERTISING REVIEW

Issue Dates Reviewed _____ Initials _____
From _____ to _____
Irregularities YES NO
From _____ to _____
Irregularities YES NO

10% NONSUBSCRIBER REVIEW

Issue Dates Reviewed _____ Initials _____
From _____ to _____
Irregularities YES NO

Publication

FREQUENCY REVIEW

Issue Dates Reviewed
From _____ to _____
Irregularities YES NO
From _____ to _____
Irregularities YES NO
From _____ to _____
Irregularities YES NO
From _____ to _____
Irregularities YES NO
From _____ to _____
Irregularities YES NO

Annual Verifications Checklist

ZONE ANALYSIS PROGRAM (ZAP) REVIEW
ISSUE DATE _____

OPTION 1

Pave Certified Software
ZAP Approved

Chart

OPTION 2-A

ZAP Approved Software
PS Form 3541 Submitted

OPTION 2-B

without
ZAP Approved Software
Mail.dat file submitted

Chart

OPTION 3

Standardized Documentation Software
(Not ZAP Approved)

3-Digit Zone Listing

Compared to USPS National Zone Chart

Summary Zone Listing

Compared to info on 3541

* **Nonprofit Publications with less than 10% advertising do not require ZAP Verification.**

Attach and Retain for 2 years:

A. Results of Review

B. At least one page from the USPS Qualification Report

C. Detailed Zone Listing

ZAP Review performed by _____ Date _____

Please attach corresponding worksheets and any supporting documentation

Chapter 6 — Other Types of Mailing

Business Mail Acceptance

Exhibit 6-1
Political Mail Log

BMEU POLITICAL MAIL LOG										
City of Mailing & Zipcode: _____						Election Date: _____				
ATTENTION: 1. Be sure political mail RED TAG 57's are on all political mail trays, sacks, etc. 2. Track Political Mailings daily on this log. If mailing is all for one zone, please indicate on log. 3. Make a copy of the mailpiece cover and postage statement and retain with this log. 4. Place political mail in proper staging area(s).										
MAIL ENTRY		PERMIT TYPE & NO.	NAME OF POLITICAL MAIL CANDIDATE	NAME OF MAILER	NAME OF MAILING AGENT	# OF PIECES	RELEASED		DESTINATION ZIPCODE(S)	INITIALS
DATE	TIME						DATE	TIME		

Exhibit 6-2

Political Campaign Mailing

PS Tag 57 *Political Campaign Mailing*, identifies campaign mailings during processing and distribution. Registered political candidates, registered campaign committees, or political party committees may use PS Tag 57 on First-Class Mail and Standard Mail containers. PS Tag 57 may not be used by any other groups, even if those organizations promote or endorse political candidates, referendums, or internal agendas.



Chapter 7 — Mail Classification Decisions, Appeals, Exceptions

Exhibit 7-1
PCSC Exception Request Form

**PRICING AND CLASSIFICATION SERVICE CENTER
 EXCEPTION REQUEST FORM**

USPS Contact

Area:	District:	Date: 5/12/2008
USPS Contact:	Title:	Phone:

Mailer and/or Mailing Agent

Mail Owner/Permit Holder: Address: City: State:	ZIP+4:	Contact: Phone:
Mail Preparer/Agent: Address: City: State:	ZIP+4:	Contact: Phone:

Mail Information

Office Where Permit is Held: Permit Number:	Co.Style: <input type="text"/>	State: <input type="text"/>	ZIP+4: <input type="text"/>
Processing Category: <input type="text"/>	Presort: <input type="text"/>	Volume: <input type="text"/>	Mail Date: <input type="text"/>
Nationwide: <input type="text"/>	Local: <input type="text"/>	PVDS: <input type="text"/>	Status: <input type="text"/>

Exception Information

Briefly Describe:	<input style="width: 100%; height: 20px;" type="text"/>
Cause of the Problem:	<input style="width: 100%; height: 40px;" type="text"/>
	<u>Type the Specific DMM Reference(s) Below</u>
	Section: _____
	Section: _____
	Section: _____
	Section: _____

Exception History

Has an Exception Been Previously Granted to this Preparer/Agent?	_____
Has an Exception Been Previously Granted to this Mailer?	_____
If Yes, What Date:	_____

Mail or fax this form to the PCSC along with the requests from the mail owner to:

Attention: Manager
 Pricing and Classification Service Center
 90 Church St. Ste 3100
 New York, NY 10007-2951
 Phone: (212) 330-5300
 Fax: (212) 330-5320

Ver. 5/14/2007 KM

Appendices

Appendix A-1

References to USPS Publications and Handbooks

Publication Number	Publication Title
N/A	BME Proficiency Outreach Handbook
N/A	Electronic Verification System (eVS) Intelligent Mail Device User Guide
N/A	International Priority Airmail (IPA) Service Guide
N/A	Mail Quality Discussion Guide
N/A	Periodicals Quick Service Guide
N/A	<i>PostalOne!</i> A Guide for Electronic Data Exchange
N/A	<i>PostalOne!</i> Mail.dat® Technical Guide
N/A	Wizard Web Service Software Development Reference Guide
N/A	Zone Analysis Program (ZAP) Technical Guide
DMM	<i>Domestic Mail Manual</i>
FAP	Field Accounting Procedures
IMM	<i>International Mail Manual</i>
POM	<i>Postal Operations Manual</i>
Handbook DM-103	<i>Official Mail</i>
Handbook DM-110	<i>Centralized Postage Payment (CPP) System for Periodicals Mail</i>
Handbook DM-203	<i>Periodicals Eligibility Review</i>
Handbook DM-204	<i>Applying for Periodicals Mailing Privileges</i>
Handbook PO-209	<i>Retail Operations Handbook</i>
Handbook PO-502	<i>Container Methods</i>
Handbook PO-512	<i>Plant Load Authorization and Procedures Guidelines</i>
Handbook PO-701	<i>Fleet Management</i>
Handbook PO-702	<i>Tort Claims Administration</i>
MI DM-140-2008-1	<i>Assessing and Collecting Deficiencies in Postage or Fees</i>
MI PO-540-1999-1	<i>Trailer Repositioning Program</i>
Publication 205	<i>Electronic Verification System Business and Technical Guide</i>
Publication 401	<i>Guide to the Manifest Mailing System</i> (available at http://ribbs.usps.gov/mac/documents/tech_guides/PUBS/PUB_401.PDF)
Publication 406	<i>Guide to the Centralized Postage Payment (CPP) System for Periodicals Mail</i>
Publication 407	<i>Optional Procedure (OP) Mailing System</i> (available at http://ribbs.usps.gov/op_mailingsystem/documents/tech_guides/pub_407_Jan_2009.pdf),
Publication 417	<i>Nonprofit Standard Mail Eligibility</i>
Publication 804	<i>Drop Shipment Procedures for Destination Entry</i>

Business Mail Acceptance

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Acronyms List

ADC	Area Distribution Code
ADC	Area Distribution Center
ACE	Advance Computing Environment
ADM	Accounting Data Mart
AE	Additional Entry
AFCS	Advanced Facer-Canceller System
AIC	Account Identifier Code
AMC/F	Airport Mail Center or Facility
AMS	Alternate Mailing System
AO	Associate Office
AP	Accounting Period
APWU	American Postal Workers Union (AFL-CIO)
ASC	Accounting Service Center
ASF	Administrative Support Facility
BBM	Bulk Business Mail
BC	Barcode
BCR	Barcode Reader
BCS	Barcode Sorter
BMA	Business Mail Acceptance
BMC	Bulk Mail Center
BME	Business Mail Entry
BMEU	Business Mail Entry Unit
BMS	Business Mailer Support
BPM	Bound Printed Matter
BRM	Business Reply Mail
CASS	Coding Accuracy Support System
CAT	Critical Acceptance Time
CDB	Corporate Database
CDP	Convenience Deposit Point
CET	Critical Entry Time
CIS	Corporate Information System
CMA	Commercial Mailing Agent
COD	Collect on Delivery
CFR	<i>Code of Federal Regulations</i>
CPO	Community Post Office
CPP	Centralized Postage Payment System
CR	Carrier Route
CRIS	Carrier Route Information System
CSI	Customer Satisfaction Index
DADC	Destination Area Distribution Center
DBMC	Destination Bulk Mail Center
DCE	Distributed Computer Environment
DDU	Destination Delivery Unit
DSCF	Destination Section Center Facility
DMM	<i>Mailing Standards of the United States Postal Service, Domestic Mail Manual</i>
DMU	Detached Mail Unit
DN	Area Office Distribution Network
DPBC	Delivery Point Barcode
DPO	Designated Post Office
eDoc	Electronic Documentation
eMIR	Electronic Mail Improvement Reporting
eVS	Electronic Verification System
EIN	Employee Identification Number
ELM	<i>Employee and Labor Relations Manual</i>
EPA	Employee Performance Assessment
EPO	Entry Post Office

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Acronyms List

F-1	Handbook F-1, <i>Postal Accounting Procedures</i>
F-101	Handbook F-101, <i>Field Accounting Procedures</i>
FAST	Facilities Access and Shipment Tracking
FDP	Facilities Database
FIFO	First In, First Out
FR	Federal Register
HCR	Highway Contract Route
ID	Identification
IMB	Intelligent Mail Barcode
IMD	Intelligent Mail Device
IMM	<i>Mailing Standards of the United States Postal Service</i> , International Mail Manual
IPA	International Priority Airmail
ISAL	International Surface Airlift
ISBN	International Standard Book Number
ISSN	International Standard Serial Number
IT	Information Technology
LDC	Labor Distribution Code
LSM	Letter Sorting Machine
MASS	Multiline Accuracy Support System
MDA	Mailpiece Design Analyst
MDC	Material Distribution Center
MERLIN	Mail Evaluation Reader Lookup Instrument
MI	Management Instruction
MLOCR	Multilane Optical Character Reader
MMOD	MERLIN Maintenance Operations Database
MMS	Manifest Mailing System
MPCV	Mail Piece Count Verification
MPO	Main Post Office
MPTQM	Mailpiece Total Quality Management
MVS	Motor Vehicle Supervisor
NBMS	National Bulk Mail System
NCED	National Center for Education Development
NCOA	National Change of Address System
NCSC	National Customer Support Center
OCRA	Office of Classification and Rates Administration
OP	Optional Procedure
P&C	Pricing and Classification
P&DC	Processing & Distribution Center
PAAR	Permit Account Activity Report
PAF	Postage Adjustment Factor
PAGE	Periodicals Accuracy, Grading, and Evaluation Program
PAVE	Presort Accuracy Validation and Evaluation
PBC	Postal Business Center
PBV	Performance Based Verification
PCC	Postal Customer Council Program
PCSC	Pricing and Classification Service Center
PE	Postal Explorer
PD	Postage Due
PDWA	Postage Due Weight Averaging System
PMG	Postmaster General
POM	<i>Postal Operations Manual</i>
POS	Point of Sales System
PSIN	Postal Service Identification Number
PTS	Product Tracking System
PVDS	Plant-Verified Drop Shipment
PW	Postal Wizard

Business Mail Acceptance

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Acronyms List

QA	Quality Assurance
QC	Quality Control
RFA	Request for Action
SCF	Section Center Facility
SOP	Standard Operating Procedures
SOX	Sarbanes-Oxley Act
SPO	Serving Post Office
SPPS	Special Postage Payment System
STP	Strategic Transformation Plan
TPO	Transfer Post Office
TQM	Total Quality Management
UPD	Updated
USPS	United States Postal Service
VAR	Value Added Refund
WA-BRM	Weight Average-Business Return Mail
WKG	Working
ZAP	Zone Analysis Program
ZIP	Zone Improvement Plan