

**FOR STATE AGENCIES TO CONVERT FROM “OFFICIAL MAIL
ACCOUNTING SYSTEM” (OMAS) TO COMMERCIAL PAYMENT SYSTEMS
FOR POSTAGE**

PERMIT IMPRINT (DMM-604)

State agencies that currently use a “G-Permit Number” on their outgoing mail that wish to use a commercial permit number will have to open a permit imprint number at each post office where the agency plans to enter mail.

- **P.S. Form 3615 (Mailing Permit Application and Customer Profile)** is the postal form that is to be completed and signed to open a Permit Imprint number at a Post Office. A one-time \$160.00 application fee is required to be paid when opening up a Permit Imprint number.
- The Permit Holder will also be required to pay an **ANNUAL FEE** of \$160.00 if mailing any of the following sub-classes of mail:
 - Presorted First Class
 - Presorted Standard Mail (Bulk Mail)
 - Presorted Media Mail
 - Presorted Library Mail
 - Bound Printed Matter – Destination Entry
 - Parcel Select (Destination Entry for Parcel Post)
- The **\$160.00** annual fee is required to be paid for **EACH** of the sub-classes listed above.
- The Permit Holder must have a transaction (mailing) at least once every **24 months** (two years) to keep the Permit Imprint active.
- Permit Imprint mailing must contain at least **200 PIECES** or **50 POUNDS**, except:
 - **Higher piece count minimums apply for certain presorted mailing.**
- All pieces in Permit Imprint mailing must be of identical weight.

PERMIT IMPRINT

- All mailing in a Permit Imprint mailing must meet the preparation standards for the postage rate claimed. Mail claimed at postage rate that varies by zone must be separated by zone when mailed, unless mailing is supported by documentation that list zone breakdown for all the pieces in the mailing.
- Mail must be deposited and accepted at the post office that issued the permit, at a time and place designed by the Postmaster or **BMEU** manager.
- Payment must be made for each mailing, either in cash or through an advance deposit account, before the mailing can be released for processing. Funds to pay postage must be deposited as directed by the USPS. If funds paid on deposit are less than that necessary to pay for a mailing, the difference must be paid or deposited before the mailing or other Permit Imprint mailing can be accepted. **CREDIT FOR POSTAGE IS NOT ALLOWED.**
- Although state agencies are required to open a Permit Imprint number at **EACH** post office where the agency plans on entering mail, the agency may apply to mail under a “**COMPANY PERMIT INDICIA**” see examples below:

REGULAR PERMIT IMPRINT INDICIA

PRESORTED FIRST CLASS
US POSTAGE PAID
CITY AND STATE
PERMIT NO. XXXX

COMPANY PERMIT IMPRINT INDICIA

PRESORTED FIRST-
CLASS
US POSTAGE PAID
"AGENCY NAME"

- The appropriate USPS **POSTAGE STATEMENT** is required to be submitted with a Permit Imprint mailing. The type of **USPS POSTAGE STATEMENT** and **DOCUMENTATION** (if required) submitted is dependent on the class and/or sub-class of mailing being entered by the **PERMIT HOLDER**.

POSTAGE METERS (POSTAGE EVIDENCING SYSTEMS) DMM-604

State agencies that currently use an “Official Postage Meter” to pay their postage on their outgoing mail and that wish to continue to use a commercial postage meter will have to establish a postage meter at each post office where the agency plans to enter mail.

Postage Evidencing Systems are secure postage metering systems that generate indicia imprinted on or affixed to a mail piece to evidence prepayment of postage. The USPS regulates these systems and their use to protect postal revenue. Only USPS-authorized manufacturers or product service providers may design, produce, and distribute the systems. Misuse of a postage evidencing system to avoid payment of postage is punishable by law. The major components of a Postage Evidencing System are:

- A. Funds registers and accounting functions to store and maintain financial data. Two funds registers are required:
 - a. The descending register that records the postage value remaining in the Postage Evidencing System.
 - b. The ascending register that increases as postage is printed. This register records the total value of all postage printed during the life of the Postage Evidencing System unless it is reset to zero by the provider during servicing between customers or when it reaches its maximum limit.
- B. Indicia generated by the system to show evidence of postage prepayment on the mail piece. Indicia are also called “meter stamps” or “meter postage”.
- C. USPS and provider infrastructure to support user licensing and customer information, ensure proper payment for postage, set and reset the system with postage value, and provide for inventory management. Provider and USPS interface to accomplish these functions.

POSTAGE METERS

Postage meters are available only from authorized providers. All postage meters remain the property of the USPS-authorized provider and are available only through a lease or rental agreement with the provider or its agent. The following providers are authorized:

FRANCOTYP-POSTALIA INC.
140 N MITCHELL CT STE 200
ADDISON IL 60101-5629
800-341-6052
www.fp-usa.com

HASLER INC.
19 FOREST PKWY
SHELTON, CT. 06484-6140
800-243-6275
www.haslerinc.com

NEOPOST
30955 HUNTWOOD AVE
HAYWARD CA 94544-7084
800-624-7892
www.neopostinc.com

PITNEY BOWES INC
1 ELMCROFT RD
STAMFORD, CT 06926-0700
800-322-8000
www.pitneybowes.com

PSI SYSTEMS ENVELOPE MANAGER SOFTWARE
2547 HIGH ST
PALO ALTO, CA 94301-1041
800-576-3279 x 140
www.envmgr.com

STAMPS.COM
3420 OCEAN PARK BLVD, STE 1040
SANTA MONICA, CA 90405-3035
www.stamps.com

POSTAGE METERS

The licensee of a Postage Evidencing Meter is the person or entity authorized by the USPS to lease or rent a system. The licensee cannot own a Postage Evidencing Meter and may possess a meter only under a valid lease or rental agreement with an approved provider or its agent. The licensee is responsible for the control, maintenance, and use of the postage meter in accordance with USPS regulations.

No persons or entity other than an authorized provider, its authorized agent, the USPS, or

a licensee may have a Postage Evidencing Meter in its possession. Any person or entity must immediately surrender a postage meter to the provider, the provider's agent, or to the USPS upon termination of the lease or rental agreement.

No person or entity other than an authorized provider may use a postage meter until the provider initializes the system or, where applicable, the USPS sets and seals the system, performs the required validations, and checks the system into service. Once the postage meter is properly in service, it may be used by the licensee or others authorized by the licensee. The licensee is responsible for control and use of the system.

Postage may be paid by imprinting or affixing indicia generated by a USPS-approved postage meter on any class of mail, **EXCEPT PERIODICALS**. Such mail is called "meter mail" and is entitled to all privileges and subject to all conditions applying to the various classes of mail.

To possess and use a Postage Evidencing Meter, the user must apply for and be granted a license by the USPS. A single license allows the licensee to use multiple postage meters for metered mail deposited in the licensing post office. A Postage Evidencing Meter may be licensed to only one Post Office. The user must submit a separate application, be granted a separate license authorization, and have a separate postage meter for each licensing post office where the user intends to deposit mail. The procedures are as follows:

- a. The applicant submits to the provider all data required for the license, including the city, state, and ZIP code of the licensing Post Office where the user intends to deposit the metered mail.
- b. The provider submits the required information to the USPS electronically.
- c. The USPS notifies the provider after granting license.
- d. The USPS can cancel the licensee's authorization to rent or lease postage meters if an active system is not associated with the license for 60 days or more. Exceptions may be granted to seasonal users.

By applying for a USPS license to rent or lease a Postage Evidencing Meter system, the applicant agrees that the license may be revoked immediately and the provider notified by the **POSTAGE METERS**

USPS to withdraw the postage meter from service for the following reasons:

- a. The Postage Evidencing Meter system is used in any fraudulent or unlawful scheme or enterprise.
- b. The Postage Evidencing Meter system is not used for 12 consecutive months.

- c. The licensee fails to abide by the terms and conditions of the provider's lease or rental agreement.
- d. The licensee fails to exercise sufficient control of the Postage Evidencing Meter system or fails to comply with the regulations for its care or use.
- e. The Postage Evidencing Meter system is taken or used outside the United States, its territories or possessions, unless specifically authorized under these regulations by the manager of Postage Technology Management, USPS Headquarters.
- f. Mail is deposited at other than the licensing post office.

PERSONAL COMPUTER (PC) POSTAGE SYSTEMS (DMM-604.5.0)

All PC Postage systems use a "Postal Security Device" (PSD) to maintain postal registers and perform postal functions. Before the licensee can print evidence of postage using a PC Postage system, the system's PSD must be initialized and authorized by the provider. The initialization process installs PSD-specific information that does not change over the life cycle of the PSD. The authorization process sets user-specific information. The provider reauthorizes the PC Postage system PSD when certain user-specific information changes. The installation and check-in process for a PC Postage system is completed when the data required by the USPS is transmitted to the appropriate postal information systems.

A PC Postage system is reset remotely using a personal computer with a connection between the provider's resetting system and the postal registers in the PSD.

For a PC Postage system, the USPS will accept payment only in the form of credit card or automated clearinghouse debit, in accordance with USPS standards and procedures.

To reset a PC Postage system the following conditions must be met:

- The licensee must initiate payment to the USPS sufficient to cover the desired postage increment before requesting a postage value download to reset the system.
- The licensee must provide identifying information and system audit data as required by the USPS and in accordance with the provider's resetting specifications. Before completing the resetting, the provider must verify the identifying data, authenticate the user's license, conduct a postage evidencing system audit, and ascertain whether payment to the USPS sufficient to cover the requested postage value download was initiated by the licensee.

- The provider will supply the licensee with documentation of the reset transaction and the balance in the descending register, if any.

State agencies that wish to use **PRESORTED MAILING** and claim lower postage rates must open a PC (pre-canceled) / **METERED PERMIT NUMBER**.

P.S. Form 3615 (Mailing Permit Application and Customer Profile) is the postal form that is to be completed and signed to open a **PC/METERED** permit number.

There is **NO** application fee for this permit, but an **ANNUAL FEE (S)** is/are due, depending on the class/sub-class of presorted mailing being entered by the permit holder.

There is **NO USPS POSTAGE STATEMENT** required to be submitted with **SINGLE PIECE RATE** mailing where postage is being paid with meter or PC Postage.

However, **PRESORTED MAILING** where postage is being paid with meter or PC Postage **ARE** required to have a **USPS POSTAGE STATEMENT** plus supporting **DOCUMENTATION** (if required) submitted with the mailing. The type of **POSTAGE STATEMENT** submitted is dependent on the class and/or sub-class of mailing being entered by the **PERMIT HOLDER**.

BUSINESS REPLY MAIL (BRM) (DMM-507)

State agencies that currently use a DOL's "Official Business Reply Mail (OBRM)" permit number on their mail, and would like to continue to use a BRM, will have to establish a BRM permit number through a Post Office of their choice.

P.S. FORM 3615 (Mailing Permit Application and Customer Profile) is the postal form that is to be completed and signed to open a BRM permit number at a post office. There is a **BASIC ANNUAL FEE** of \$160.00 that is required to be paid on the permit.

Business Reply Mail service enables a permit holder to receive **First-Class Mail** and **Priority Mail** back from customers and pay postage and a per piece fee only for the pieces returned. BRM card, envelopes, self-mailers, cartons, and labels may be distributed by a permit holder in any quantity for return to any post office in the United States and its territories and possessions, including military post offices overseas.

The permit holder **guarantees payment** of the applicable **First-Class** or **Priority Mail** postage, plus a per piece fee, on all returned BRM. This includes any incomplete, blank, or empty BRM cards and envelopes and any mail with a BRM label affixed.

The delivery address on a piece of BRM may not be altered to redirect the mail-piece to any address other than the one preprinted on the piece.

Domestic BRM may not be distributed to foreign countries. Standard for International

Business Reply Service (IBRS) are in the International Mail Manual (IMM).

BRM may not be used for any purpose other than that intended by the permit holder, even when postage is affixed. In cases where a BRM card or letter is used improperly as a label, the USPS treats the item as waste.

The BRM permit holder may choose to pay an **ANNUAL ACCOUNTING FEE** of \$500.00 in addition to the \$160.00 basic annual fee and establish an advance deposit account, which qualifies returned BRM pieces for a lower per piece fee.

Qualified Business Reply Mail (QBRM) is a subset of Business Reply Mail. Permit holders distribute automation-compatible card and letter-size mail-pieces under 2 ounces that qualify for automation postage rates and reduced per piece fees. To enter the **QBRM** program the \$500.00 annual fee must be paid. P.S. Form 6805 (**Qualified Business Reply Mail Application**) is the postal form that is to be completed and signed to enter the **QBRM** program.

BRM postage & fees comparisons:

Basic BRM (only \$160.00 annual fee paid) / letters 1 oz. or less – appropriate First-Class postage (\$.39) + \$.65 per piece fee.

Postcards – appropriate First-Class postage (\$.24) + \$.65 per piece fee.

Basic BRM (with additional \$500.00 annual accounting fee paid) / Letter 1 oz. or less – appropriate First-Class postage (\$.39) + \$.11 per piece fee.

Postcards – appropriate First Class postage (\$.24) + \$.11 per piece.

Basic QBRM / Letters 1 oz. or less – First- Class postage of \$.358 + \$.06 per piece fee.

Postcard size – First Class postage of \$.211 + \$.06 per piece fee.

BRM Permit Holders may pay for postage and per piece fees on returned pieces by cash or check upon delivery, through a regular postage due account or through a BRM advance deposit account. A regular postage due account does not qualify the permit holder for any reduced per piece fees, and no annual accounting fee is required to be paid to maintain the account.

BUSINESS REPLY MAIL

Permit holders may give permission to subsidiary offices, agents, or authorized representatives to distribute and receive BRM using a single (agency) permit number. The main permit holder or (corporate) office applies for the permit number and pays the \$160.00 annual permit fee. The agent must present a letter of authorization from the permit holder showing the name, address, and telephone number of the local agent authorized to receive the BRM to the post office where the BRM is returned. Agents do not need to pay a separate \$160.00 annual permit fee, but must submit evidence (usually a copy of P.S. Form 3544) to the local post office showing the fees have been paid.

If the subsidiary offices, agents or representatives want to receive the lower per piece fees that they are entitled to by paying the additional \$500.00 annual accounting fee, that **MUST** be paid at **EVERY** post office where BRM is being returned to.

THE POSTAL SERVICE WILL CREATE CAMERA READY ARTWORK FOR BRM PERMIT HOLDERS WITH THE CORRECT ZIP+4 & BARCODE ON THE ARTWORK. IT IS STRONGLY RECOMMENDED THAT BRM PERMIT HOLDERS USE THE ARTWORK WHEN PRINTING UP THEIR BRM PIECES SO AS TO MAKE SURE THE MAILPIECES MEET ALL THE SPECIFICATIONS and FORMAT REQUIREMENTS FOR BUSINESS REPLY MAIL.

PERIODICALS (DMM-707)

P.S. Form 3500 (Application for Periodical Mailing Privileges) is the postal form that is to be completed and signed to apply for Periodical Mailing Privileges. Form 3500 must be filed at the post office serving the **Known Office** of Publication. There is an application fee of \$395.00 that is required to be paid when applying for Periodical Mailing Privileges.

The Known Office of Publication must be a public office for transacting the business of the publication during normal business hours. It must also be the office where the publication's circulation records are kept or can be available for USPS examination.

All Periodicals Publications must be authorized Periodicals Mailing Privileges under one of the five qualification categories:

- General Publications
- Publications of Institutions and Societies
- Publications of State Departments of Agriculture
- Requester Publications
- Foreign Publications

The following types of publications also qualify as Periodical Publications:

- a. Any catalog or other course listing (including mail announcements of legal texts that are part of post-bar admission education) issued by any institution of higher education or by a nonprofit organization engaged in continuing legal education.
- b. Any loose-leaf page or report (including any index, filing instruction, table, or sectional identifier that is part such report) designed as part of a loose-leaf reporting service on developments in the law of public policy.
- c. Any transportation guide containing schedules, fares, and related information.

Periodical Publication or **Periodical** is one published at a stated frequency with the intent to continue publication indefinitely with these characteristics:

- a. The continuity of the periodical must show from issue to issue. Continuity is shown by serialization of articles or by successive issues carrying the same style, format, theme, or subject matter.
- b. The primary purpose of the periodical must be the transmission of information.
- c. The content of the periodical may consist of original or reprinted articles on one topic or many topics, listing, photographs, illustrations, graphs, a combination of advertising and non-advertising matter, comic strips, legal notices, editorial material, cartoons, or other subject matter.
- d. The primary distribution of each issue must be made before that of each succeeding issue.

CENTRALIZED ACCOUNT PROCESSING SYSTEMS (CAPS)

CAPS is an electronic postage payment system that provides business mailers a centralized, convenient, and cost-effective way to find:

- Permit Imprint
- Periodical
- Business Reply Mail (BRM)*
- Merchandise Return Service (MRS)*
- Postage Due*
- Express Mail Corporate Account
- Address Element Correction

*The availability of **CAPS** for BRM, MRS, and Postage Due is currently very limited.

CAPS provides an electronic alternative to presenting checks and cash for postage and fees at multiple post offices. Customers can choose from two account types:

Centralized Trust Account - Customers deposit funds using electronic funds transfer to the **CAPS** bank before presenting mail. The **CAPS** account is automatically reduced when local post offices process postage statements.

Centralized Debit Account - Customers designate a debit-enabled bank account for postage charges. The bank account is debited for the total day's postage on the next bank business day.

If your state meets one of the following requirements:

- Three permits in two or more postal locations and spends at least \$10,000 per year on postage.

- Three or more permits at one post office and spends at least \$50,000 per year on postage.
- One permit account with annual postage expenditures of at least \$500,000.

Then **CAPS** can help better manage postal funds and track postal expenses nationally and by mailing location.

Need More Information?

Contact your local Postal Service Business Center or National Account Manager, or the **CAPS** Service Center at (650) 377-1334.