

604 Postage Payment Methods

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1.0 Stamps

1.1 Postage Stamp Denominations

Postage stamps are available in the following denominations:

TYPE AND FORMAT		DENOMINATION
Regular Postage	Panels of up to 100	\$0.01, .02, .03, .04, .05, .08, .09, .10, .14, .15, .17, .19, .20, .21, .22, .23, .25, .29, .30, .32, .33, .34, .35, .39, .40, .45, .46, .48, .50, .52, .55, .57, .60, .65, .75, .76, .77, .78, .80, .83, \$1, \$2, \$3.85, \$5, \$13.65
	Booklets	\$0.23 (\$2.30 booklet) \$0.37 (\$3.70 and \$7.40 booklets)
	Coils of 100	\$.21, .22, .23, .34, .37
	Coils of 3,000	\$0.01, .02, .03, .05, .10, .34, .37
	Coils of 10,000	\$0.01, .02, .03, .05, .10, .34, .37
Precanceled Presorted Rate Postage — First-Class Mail and Standard Mail	Coils of 500, 3,000, and 10,000	Various nondenominated (available only to permit holders)
Commemorative	Panels of up to 50	\$0.37 and other denominations
	20-Stamp Booklets	\$0.37 (\$7.40 booklets)
Semipostal	Breast Cancer Research Panels of up to 20	Purchase price of \$0.45; postage value equivalent to First-Class Mail nonautomation single-piece rate (\$0.37); remainder is contribution to fund breast cancer research.
	Stop Family Violence Panels of up to 20	Purchase price of \$0.45; postage value equivalent to First-Class Mail nonautomation single-piece rate (\$0.37); remainder is contribution to fund domestic violence programs.

[R000.4.0]

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1.2 Postage Stamps Valid for Use

All postage stamps issued by the United States since 1860, unless listed in 1.3, are valid for postage from any point in the United States or from any other place where U.S. Mail service operates. Precanceled stamps may be used to pay regular postage and fees for extra services if the mailpiece is endorsed under the standards for the class of mail and service requested. Precanceled postage may be used only by permit holders authorized under 3.0. Unless excepted by standard, the total postage affixed must equal at least the postage charge for the class of the mail and, if applicable, the fee for the extra service requested. All nondenominated postage and makeup rate stamps, including official mail stamps, are valid at the original rates of issue. [P022.2.1]

1.3 Postage Stamps Invalid for Use

The following are not valid to pay postage for U.S. domestic or U.S.-originated international mail:

- a. Postage due, special delivery, special handling, and Certified Mail stamps.
- b. Stamps of other countries.
- c. United Nations stamps, unless on mail deposited at the United Nations, NY.
- d. U.S. stamps that are mutilated or defaced; cut from stamped envelopes, aerogrammes, or stamped cards; covered or coated in such a manner that canceling or defacing marks cannot be printed onto the stamps; or overprinted with an unauthorized design, message, or other marking.
- e. Nonpostage stamps, such as migratory-bird hunting and conservation stamps, U.S. saving and thrift stamps. [P022.2.2]

1.4 Imitations of Stamps

Matter bearing imitations of postage stamps, in adhesive or printed form, or private seals or stickers resembling a postage stamp in form and design, is not acceptable for mailing. [P022.4.1]

1.5 Imitations of Markings

Matter bearing decorative markings and designs, in adhesive or printed form, resembling the markings and designs of official postal services, is not accepted for mailing (see [Exhibit 1.5](#)). [P022.4.2]

Exhibit 1.5 Prohibited Imitations

[Exhibit P022.4.2]

1.6 Stamp Reproduction

Postmasters may not advise the public about the reproduction of foreign or domestic postage stamps. Such information is available from Stamp Development, USPS Headquarters (see [608.8.0](#) for address). [P022.3.0]

1.7 Position of Stamp on Mailpiece

Stamps must be affixed firmly in the upper right corner of the address side of the mail cover. Any stamp partly concealed by an overlapping stamp may not be counted as postage. [P022.1.3]

1.8 Reuse of Stamps

Reuse of stamps with intent to cause loss to the government or the USPS is punishable by fine and imprisonment. [P022.1.4]

1.9 Perforating Stamps

Postage stamps may be marked with perforation holes. The mark may not cover more than 1/4 square inch (1/2 inch by 1/2 inch) of the stamp, and the diameter of the holes may not exceed 1/32 inch. [P022.1.5]

1.10 Special Standards for Semipostal Stamps

Semipostal stamps are subject to the following special conditions:

- a. Semipostal stamps are stamps sold for a price that exceeds the postage value of the stamp. The difference between the price and postage value (also known as the "differential") less an offset for reasonable USPS costs, as determined by the USPS, is contributed to a specific cause. Semipostal stamps are offered for sale for a limited time as provided by law or by the USPS.

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- b. The following semipostal stamps are available:
 1. The Breast Cancer Research semipostal stamp. The difference between the purchase price and the First-Class Mail nonautomation single-piece first-ounce letter rate in effect at the time of purchase constitutes a contribution to breast cancer research and cannot be used to pay postage. Funds (net of reasonable USPS costs) raised in connection with the Breast Cancer Research semipostal stamp are transferred to the Department of Defense and the National Institutes of Health.
 2. The Stop Family Violence semipostal stamp. The difference between the purchase price and the First-Class Mail nonautomation single-piece first-ounce letter rate in effect at the time of purchase constitutes a contribution to domestic violence programs and cannot be used to pay postage. Funds (net of reasonable USPS costs) raised in connection with the Stop Family Violence semipostal stamp are transferred to the Department of Health and Human Services.
- c. The postage value of each semipostal stamp is the First-Class Mail nonautomation single-piece first-ounce letter rate in [133.1.5, Rates for Letters, Flats, and Parcels](#), that is in effect at the time of purchase. Additional postage must be affixed to pieces weighing in excess of 1 ounce, pieces subject to the nonmachinable surcharge, or pieces for which extra services have been elected. The postage value of semipostal stamps purchased before any subsequent change in the First-Class Mail nonautomation single-piece first-ounce letter rate is unaffected by any subsequent change in that rate. The purchase price of each semipostal stamp is listed in [1.1](#). [P022.1.6]

1.11 Paying for Stamps

Payment may be made in U.S. currency. Foreign or mutilated money is not acceptable. The USPS may require payment of the exact amount of the purchase. Checks are acceptable subject to USPS check-acceptance policy and the assessment of charges to the customer for an uncollectible check returned by the bank. The customer must use a money order or certified check if the amount due is sent by mail. [P022.1.1]

1.12 Seals and Stickers

The nonaddress side of mail may have seals or stickers, if they do not imitate postage stamps and do not have words, numerals, or other markings indicating a value. [P022.4.3]

2.0 Stamped Stationery

2.1 Plain Stamped Envelope

2.1.1 Fee

Fee, in addition to the postage value preprinted on the envelope:

TYPE	FEE	
	Each	500
Size 6-3/4	\$0.08	\$12.00
Size 10	0.08	14.00

[R000.1.0]

2.1.2 Availability

Plain stamped envelopes are available at all post offices, except that:

- Only sizes 6-3/4 and 10 regular and window envelopes are sold in less than full box lots (a full box contains 500 envelopes).
- Only nonprofit organizations and political committees authorized to use the Nonprofit Standard Mail rates may buy Nonprofit (precanceled) envelopes. Only full boxes are sold at post offices; only less than box lots are sold at philatelic outlets. [P021.1.1]

2.1.3 Envelope Dimensions

Envelope dimensions, which can vary 1/16 inch, are as follows:

- Size 6-3/4: 3-5/8 by 6-1/2 inches.
- Size 10: 4-1/8 by 9-1/2 inches.
- Intermediate sizes (between 6-3/4 and 10, as determined by surface area in square inches) are not less than 6-1/2 or more than 9-1/2 inches long, not less than 3-5/8 or more than 5 inches high, have a surface area of not more than 39 square inches, and have an aspect ratio (length divided by height) not less than 1.3 or more than 2.5. [P021.1.3]

2.1.4 Window Sizes

Window envelopes are available with these window sizes:

- The standard window is 1-1/8 inches high and 4-3/4 inches wide, and is placed 5/8 inch from the bottom edge of the envelope.
- In size 6-3/4 envelopes, the window is 7/8 inch from the left edge; in size 10 envelopes, 1 inch from the left edge.
- On double window envelopes, the second window (designed for a return address) is 1/2 inch from the top and left edges, and measures 3/4 inch high and 2-1/2 inches wide.
- Other window sizes and locations can be produced, if the window size is not more than 1-1/2 inches high and 5 inches wide, and the window is not less than 3/8 inch from any envelope edge. Windows must allow compliance with general USPS addressing guidelines. [P021.1.2]

604.2.1.5

2.1.5 Imprinting

Stamped envelopes may be privately imprinted in any style, if at least 3-1/2 inches of clear space remains at the right end of the address side. [P021.1.4]

2.2 Personalized Stamped Envelopes**2.2.1 Fee**

Fee, in addition to the postage value preprinted on the envelope:

TYPE	FEE	
	Each	500
Size 6-3/4	\$3.50	\$17.00
Size 10	3.50	20.00

[R000.2.0]

2.2.2 Availability

Personalized envelopes (stamped envelopes imprinted with a return address) are available by mail order only. Customers mail Form 3203, with the full payment (by check or money order) for the envelopes ordered, to Stamp Fulfillment Services (see [608.8.0](#) for address). [P021.2.1]

2.2.3 Printing Specifications

All printing on personalized envelopes is subject to these specifications:

- a. Any line of printing is limited to 47 characters and spaces.
- b. The total number of lines is limited to seven.
- c. The last two lines of printing must be reserved for the street address or post office box number where mail is to be delivered, and the city, state, and ZIP Code.
- d. Stamp Development, USPS Headquarters, must approve any printing not permitted under [2.2.4](#) through [2.2.6](#). Requests for nonstandard printing are considered on orders of one million or more identical envelopes. Stamp Development's decision is final.
- e. Each envelope must bear a return address printed in uppercase and lowercase letters, with flush left margin, using 8-point Helvetica type. The firm name or main lines are in bold type. [P021.2.2]

2.2.4 Printed Return Address Standards

The printed return address must include the local address that includes a street address; a post office box number; a rural route and box number; a building name, room number, and street address; or both a street address and post office box number; and the name of the post office or branch post office, state, and either the ZIP+4 or the 5-digit ZIP Code. The ZIP Code must be correct for the address on the line immediately preceding the city and state. The postmaster determines whether the address is adequate to ensure return of undeliverable mail. [P021.2.3]

2.2.5 Printed Return Address Options

The printed return address may include:

- a. The name and title of an individual, or the name of a firm, corporation, institution, association, or society.
- b. Descriptive words that represent business or professional names.
- c. The branch or department name of a business if necessary to ensure return of undeliverable mail.
- d. The telephone number of an individual or group if printed immediately preceding the local address.
- e. A brief advertising statement or descriptive phrase following the name or on up to two separate lines. Indecent matter may not appear on wrappers or envelopes (18 USC 1463). [P021.2.4]

2.2.6 Optional Information

The following endorsements and instructions printed in at least 8-point type may be included as part of the return address:

- a. Any ancillary service endorsement under [507.1.1](#) through [507.1.9](#) that requests address correction, forwarding, or return appropriate for the intended class of mail (e.g., "Address Service Requested"). The endorsement must appear directly below the return address, separated with a minimum clear space of 1/4 inch.
- b. Any sender instruction under [507.1.8, Returning Mail](#), and [507.3.0, Address Correction Services](#), that specifies a period for holding mail, not fewer than 3 and not more than 30 days (e.g., "AFTER 5 days RETURN TO"). The instruction must appear directly above the return address. If such an instruction is printed on envelopes at Standard Mail rates, those envelopes must also bear an authorized ancillary service endorsement that provides for return postage. [P021.2.5]

2.2.7 Rejected Envelopes

A customer may reject personalized envelope orders for defective manufacture or mistakes in printing, denomination, size, etc.:

- a. If the purchaser's error, only the value of the postage is refunded. Such a refund may be made at a post office or by returning the envelopes to Stamp Fulfillment Services (see [608.8.0](#) for address). If the customer wants the envelopes replaced instead, the customer must pay the difference between the full selling price of the envelopes and the postage value. The customer must include an explanation for rejecting the envelopes in a request for replacement or refund.
- b. If an error is made by the USPS, Stamp Fulfillment Services refunds the total cost of the envelopes. The envelopes must be returned to Stamp Fulfillment Services (see [608.8.0](#) for address) with an explanation of the error. Only the customer whose name is in the return address, or the customer's representative, may submit rejected personalized envelopes for a refund. Rather than seeking a refund, the customer may request that the envelopes be replaced. [P021.2.6]

604.2.3

2.3 Other Stationery

2.3.1 Stamped Cards

Stamped cards are available as single stamped cards, double (reply) stamped cards, and in sheets of 40 for customer imprinting. Single and double stamped cards are 3-1/2 inches high by 5-1/2 inches long. Sheets must be cut to this size so that the stamp is in the upper right corner of each card. The USPS does not offer personalized stamped cards (cards imprinted with a return address). [P021.3.1]

2.3.2 Fee for Stamped Cards

Fee, in addition to the postage value preprinted on the card:

TYPE	FEE
Single Card	\$0.02
Double Card	0.04
Sheet of 40 cards (uncut)	0.80

[R000.3.0]

2.3.3 Aerogramme

Aerogrammes (airletter sheets) are available for use in international mail. [P021.3.2]

2.3.4 Validity of Postal Stationery

All stamped envelopes, stamped cards (formerly called postal cards), and aerogrammes issued by the United States since 1873 are valid for postage from any point in the United States or from any other place where U.S. domestic mail service operates, under the same conditions as for postage stamps in 1.0. [P021.4.0]

3.0 Precanceled Stamps

3.1 General Information

3.1.1 Definition

Precanceling is the cancelation of adhesive postage stamps, stamped envelopes, or stamped cards before mailing. Precanceling may be done by the USPS or by the mailer under a postal permit. Precanceled commemorative stamps are not available. [P023.1.1]

3.1.2 Use of Precanceled Stamps

Precanceled postage is an optional postage payment method for mailings at Presorted and automation First-Class Mail rates and at all Standard Mail rates.

[P023.1.2]

3.1.3 Prohibited Use of Precanceled Stamps

Precanceled postage stamps may not be used on matter mailed in boxes, cases, bags, or other reusable mailing containers. [P023.1.4]

3.1.4 Documentation

Unless excepted by standard, a precanceled stamp mailing must be accompanied by documentation subject to the standards for documentation for each class of mail if the mailing contains nonidentical-weight pieces or pieces without the full postage at the applicable rate. [P023.1.6]

3.1.5 Amount of Postage

The value of precanceled stamps affixed to each piece in a mailing must be either the exact amount due or another amount permitted by standard. Refunds for overpayment must meet the standards in [10.0, Refunds and Exchanges](#). [P023.1.5]

3.1.6 Depositing Precanceled Stamp Mailings

Mail bearing precanceled postage must be presented to the post office where the permit is held, at the times and places designated by the postmaster. Mail bearing precanceled postage must not be deposited in street collection boxes. [P023.1.9]

3.1.7 Combining Precanceled Stamps With Other Postage Payment Methods

Precanceled mail may be combined in a mailing with mail paid with other means only if authorized by the USPS. [P023.1.10]

3.1.8 Return Address

Mailpieces with any precanceled imprint must have a complete domestic return address. If the return address is outside the delivery area of the post office of mailing, the mailer must put a cancellation endorsement to the left of the postage showing city, two-letter state abbreviation, and ZIP Code of the office of mailing; or submit, at the time of mailing, a duplicate of the postage statement and a sample mailpiece, both in an envelope stamped and addressed to the postmaster at the post office shown in the return address; or use the cancellation endorsement "Mailed From ZIP Code" followed by the 5-digit ZIP Code assigned to the postmaster at the office of mailing. [P023.1.8]

3.1.9 Markings and Endorsements

Whether the mailer or the USPS precanceled the stamps, each mailpiece with precanceled postage must bear markings and endorsements required for the rate claimed or services requested. [P023.1.7]

3.2 Permit to Use Precanceled Stamps**3.2.1 Authorization to Use Precanceled Stamps**

A mailer who wants to use USPS-precanceled stamps and stamped envelopes must complete Form 3615 and file it at the post office where mailings are to be deposited. If an applicant has a completed Form 3615 on file for other services, precanceled authorization is annotated on the existing application. There is no fee for this permit. [P023.2.1]

3.2.2 Revocation of Precanceled Stamp Permit

A permit may be revoked if used in operating any unlawful scheme or enterprise, or for buying or acquiring stamps or mailer's precancel postmarks for other than mailing, or for failing to comply with the format requirement or instructions on Form

3615. The permit holder has 10 days to file a written statement showing why the permit should not be revoked. The manager, customer service support (district), issues the decision on such appeals. [P023.2.2]

3.3 Precancellation of Stamps by USPS

3.3.1 Stamps Precanceled by USPS

Stamps ordered with a precancel imprint have one visible line across their faces. Endorsement stamps precanceled by post offices have two visible parallel lines across the face of each stamp between which the name of the post office of mailing and its two-letter state abbreviation appear. [P023.1.11]

3.3.2 Using Precanceled Stamps With Rate Designation

Precanceled stamps can be ordered with the rate category preprinted as the precancelation device. These stamps are for matter mailed as part of a qualifying mailing of the rate category shown on the stamps. Mailpieces bearing a rate category precancelation legend must include the return address. If the return address is not within the delivery area of the post office of mailing, the mailer must place a cancellation endorsement on the piece or provide information to the post office shown in the return address. Precanceled stamps with a preprinted rate marking may be used to pay single-piece postage if the piece bearing the stamps has the correct marking (e.g., "First-Class MAIL") immediately under the postage. [P023.1.12]

3.4 Precancellation of Stamps by Mailer

3.4.1 Definition of Stamps Precanceled by Mailer

A mailer meeting the standards in 3.4 may precancel adhesive stamps, stamped cards, and stamped envelopes with a mailer's precancel postmark. Stamped cards are precanceled at the time of printing and do not require a mailer's precancel postmark. [P023.1.3]

3.4.2 Authorization to Precancel Stamps

A mailer must request authorization to preprint rate markings on precanceled stamps or to use a precancel postmark on adhesive stamps, stamped cards, and stamped envelopes. The applicant must submit a specimen mailpiece showing the preprinting method or proposed precancel postmark. If more than one preprinted marking is prepared or more than one format is used, a specimen for each must be submitted. Form 3615 must be endorsed "Preprinting of Rate Markings," or "Mailer's Precancel Postmark," or both, as appropriate. The application and format samples must be submitted to the postmaster of the office where the precanceled mailings are to be deposited for approval by the district Business Mail Entry manager. If the application and samples are approved, the applicant receives written notice of approval from the postmaster and a unique permit number assigned by the postmaster. [P023.3.1]

3.4.3 Authorization Conditions

Mailer precancellation is authorized only for the specimen mailpieces submitted and approved. After that, a specimen must be submitted and approved for each new precancel postmark format or preprinted marking to be used. [P023.3.3]

3.4.4 Denial of Authorization to Precancel Stamps

If the application and format samples are not approved by the district Business Mail Entry manager, the applicant receives written notice from the postmaster stating the reasons for the denial and the applicant's appeal rights. The applicant may file a written appeal with the Pricing and Classification Service Center (PCSC). (See [608.8.4, PCSC and District Business Mail Entry Offices Contact Information](#).)

[P023.3.2]

3.4.5 Revocation of Authorization to Precancel Stamps

A permit may be revoked for operating any unlawful scheme or enterprise, for buying or acquiring stamps for other than mailing, or for failing to comply with the required format standards. Within 10 days of receipt of the revocation notice, the permit holder may file a written appeal with the PCSC. (See [608.8.4, PCSC and District Business Mail Entry Offices Contact Information](#).) The PCSC issues the final agency decision. [P023.3.4]

3.4.6 Design and Content of Mailer's Postmark

The mailer's precancel postmark must contain specific elements:

- a. The mailing date (day, month, and year) if used on First-Class Mail; the month and year of mailing may be shown on Standard Mail.
- b. The words "Mailer's Postmark" followed by the permit number and enough lines to deface (cancel) the postage.
- c. Either the city, state, and 5-digit ZIP Code of the post office where the precancel permit is held and the mailing is to be deposited, or the words "Mailed From ZIP Code" followed by the 5-digit ZIP Code of the mailing office. (If that post office is assigned more than one 5-digit ZIP Code, the precancel postmark must show the 5-digit ZIP Code assigned to the postmaster.) [P023.3.5]

3.4.7 Rate Marking

The precancel postmark may include the words or authorized abbreviations of the rate marking required for the rate claimed. Alternatively, if authorized under [3.4.2](#), the mailer may preprint rate markings required by other standards on adhesive stamps to be used for mailings at the corresponding rates. Such preprinted markings must be in uppercase letters of at least 6-point type, printed in black indelible ink on the stamp where optimum contrast is possible. A preprinted rate marking applied by the mailer, by itself or with a precancel postmark, must not obscure other printing on the stamp that is part of the USPS design (e.g., "USA").

[P023.3.6]

3.4.8 Cancellation of Stamps

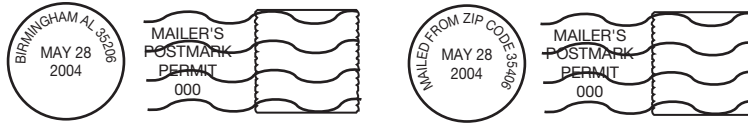
Black ink must be used for cancellation. It must provide enough indelibility and contrast to prevent reuse of the stamps. The precancel permit number must not be obscured by the cancellation. [P023.3.7]

3.4.9 Required Format

A mailer must use one of the Format A designs in [Exhibit 3.4.9](#). Format B may be used only by a mailer previously authorized to do so and who has the necessary die. The only permissible alternative or modification to any format is the addition of a rate marking permitted by [3.4.7](#). [P023.3.8]

Exhibit 3.4.9 Format for Mailer's Precancel Postmarks

Format A



Format B



[Exhibit P023.3.8]

3.5 Stamp Collectors

Subject to USPS policy in 608.4.0, precanceled postage may be bought for philatelic purposes as well as postage payment. A stamp collector may mail matter bearing precanceled postage if the collector has a permit to use precanceled postage at the post office where the mail is presented. Creating philatelic oddities or precanceling issues or denominations that would not otherwise see legitimate mail use is not permitted. Mail orders must include a stamped, self-addressed envelope. [P023.4.0]

3.6 Using High Value Stamps

If precanceled postage on a single piece is more than \$1, the precanceled stamps must be overprinted or handstamped in black ink with the mailer's initials and the numerical abbreviations of the month and year for use (e.g., "A. B. Co. 9-78"). These stamps are acceptable on mail during the month shown and through the 10th of the following month. [P023.1.13]

4.0 Postage Meters (Postage Evidencing Systems)**4.1 Basic Information****4.1.1 Definition of Postage Evidencing Systems**

Postage evidencing systems are secure postage metering systems that generate indicia imprinted on or affixed to a mailpiece 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:

1. The descending register that records the postage value remaining in the postage evidencing system.
 2. 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 mailpiece. Indicia are also called “meter stamps” or “metered 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. [P030.1.1]

4.1.2 Types of Postal Evidencing Systems

Generation 1 postage evidencing systems use industry-standard electronic components for managing the registers and accounting for postal funds. Generation 2 postage evidencing systems use a USPS-approved electronic component called a “postal security device” (PSD) for managing the registers and accounting for postal funds. All PSDs must meet USPS performance criteria and must have a self-disabling feature that prohibits the printing of postage when specific programmed requirements are not met. For all Generation 2 postage evidencing systems the provider and the USPS infrastructure must interface to support licensing and customer information, ensure proper payment for postage, and provide for inventory management. The systems are categorized as follows:

- a. Traditional postage meter—a Generation 1 postage evidencing system:
 1. The industry-standard electronic components used for managing registers and accounting for postal funds may or may not include a self-disabling feature that prohibits the printing of postage when specific programmed requirements are not met.
 2. Indicia are printed either by a letterpress or digital printing process. Letterpress indicia are generated by the impact of a hard, inked printing die on the print surface. Digital indicia are generated electronically and produced on the print surface by a nonimpact technology, such as an ink jet, thermal, or laser printing process.
 3. The provider and USPS infrastructure systems for all Generation 1 postage evidencing systems interface to support licensing and customer information and to provide for inventory management. Generation 1 postage meters can be either manually reset (the meter must be physically taken to the USPS) or remotely reset. Remotely reset meters are replacing manually reset meters in accordance with a phased USPS retirement plan. The USPS infrastructure currently supports payment for postage for all Generation 1 postage evidencing systems, both manually reset and remotely reset. The provider infrastructure supports payment for postage for remotely reset meters but does not support payment for postage for manually reset meters.

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- b. PSD meter—a Generation 2 postage evidencing system:
 - 1. A PSD meter must use a USPS-approved PSD.
 - 2. The indicia generated by a PSD meter must be digital indicia approved by the USPS.
 - 3. A PSD meter must be reset using an electronic connection between the provider's postage resetting system and the postal registers in the PSD.
- c. Information-based indicia (IBI) meter—a Generation 2 postage evidencing system:
 - 1. An IBI meter must use a USPS-approved PSD.
 - 2. An IBI meter must generate information-based indicia. IBI are digital indicia that include human-readable information and a USPS-approved two-dimensional barcode or other USPS-approved symbology, with a digital signature and other required data fields.
 - 3. An IBI meter must be reset with an electronic connection between the provider's postage resetting system and the postal registers in the PSD.
- d. PC Postage system—a Generation 2 postage evidencing system:
 - 1. A PC Postage system must use a USPS-approved PSD.
 - 2. The indicia generated by a PC Postage system must be IBI.
 - 3. A PC Postage system must be reset with postage value using a personal computer to establish an electronic connection between the provider's postage resetting system and the postal registers in the PSD. The user must employ a personal computer to access critical infrastructure functions. [P030.1.2]

4.1.3 Authorized Providers of Meters

Postage evidencing systems are available only from authorized providers. All postage evidencing systems and PSDs remain the property of the USPS-authorized provider and are available only through a lease or rental agreement with the provider or its authorized agent. The USPS holds providers responsible for the control, secure operation, distribution, maintenance, inspection, and replacement of postage evidencing systems and PSDs throughout their entire life cycle. The provider is also responsible for the secure disposal or destruction of postage evidencing systems and PSDs at the end of their useful life. 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
247 HIGH ST
PALO ALTO CA 94301-1041
800-576-3279 x140
www.envmgr.com

STAMPS.COM
3420 OCEAN PARK BLVD STE 1040
SANTA MONICA CA 90405-3035
www.stamps.com [P030.1.3]

4.1.4 Licensee Agreement

The licensee of a postage evidencing system is the person or entity authorized by the USPS to lease or rent a system. The licensee cannot own a postage evidencing system or PSD and may possess a postage evidencing system 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 evidencing system in accordance with USPS regulations. The base or host component of the mailing equipment that supports the postage evidencing system or PSD may be sold, leased, or rented at the discretion of the provider and the customer, in accordance with the product approval as granted by the USPS. [P030.1.4]

4.1.5 Possession of a Postage Evidencing System

No person or entity other than an authorized provider, its authorized agent, the USPS, or a licensee may have a postage evidencing system or PSD in their possession. Any person or entity must immediately surrender a postage evidencing system or PSD to the provider, the provider's agent, or to the USPS upon termination of a lease or rental agreement. [P030.1.5]

4.1.6 Use of a Postage Evidencing System

No person or entity other than an authorized provider may use a postage evidencing system 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 evidencing system 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. [P030.1.6]

4.1.7 Mail Classes Eligible to Use Postage Meters

Postage may be paid by imprinting or affixing indicia generated by a USPS-approved postage evidencing system on any class of mail except Periodicals. Such mail is called “metered mail” and is entitled to all privileges and subject to all conditions applying to the various classes of mail. [P030.1.7]

4.2 Licensing**4.2.1 Applying for a Meter License**

To possess and use a postage evidencing system, the user must apply for and be granted a license by the USPS. A single license allows the licensee to use multiple postage evidencing systems for metered mail deposited in the licensing post office in accordance with 4.10. A postage evidencing system can 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 evidencing system 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 the license.
- d. The USPS can cancel the licensee's authorization to rent or lease postage evidencing systems if an active system is not associated with the license for 60 days or more. The customer must reapply for a license to resume the use of a postage evidencing system. Exceptions may be granted to seasonal users.

[P030.2.1]

4.2.2 Licensee Agreement

By applying for a USPS license to rent or lease a postage evidencing system, the applicant agrees that the license may be revoked immediately and the provider notified by the USPS to withdraw the postage evidencing system from service for the following reasons:

- a. The postage evidencing system is used in any fraudulent or unlawful scheme or enterprise.
- b. The postage evidencing system is not used for 12 consecutive months.
- c. The licensee fails to exercise sufficient control of the postage evidencing system or PSD or fails to comply with the regulations for its care or use.

- d. The licensee fails to abide by the terms and conditions of the authorized provider's lease or rental agreement.
- e. The postage evidencing system or PSD is taken or used outside the United States, its territories or possessions, except as 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 (except as permitted under [4.10, Mailings](#)). [P030.2.2]

4.2.3 Refusal to License a User

The USPS notifies both the applicant and the provider in writing when authorization for a license is refused. Any applicant refused authorization may appeal the decision under [4.2.5](#). The USPS may refuse authorization for a license for the following reasons:

- a. The applicant submitted false information on the license application.
- b. The applicant violated any regulation regarding the care or use of a PSD, postage evidencing system, or the indicia generated by a system that resulted in the revocation of the applicant's postage meter or postage evidencing system license within 5 years before the date the applicant submitted the application.
- c. There is sufficient reason to believe that the applicant will use the postage evidencing system or PSD in violation of USPS regulations. [P030.2.3]

4.2.4 Revocation of a License

The USPS can revoke the user's license when the user does not fulfill the responsibilities for the care and use of a PSD, postage evidencing system, or the indicia generated by a system. The USPS notifies the licensee's provider(s) of the revocation so that the provider(s) can notify the licensee, cancel the lease or rental agreement(s), and withdraw all postage evidencing systems from service. The notification is sent by Certified Mail. Revocation takes effect 10 calendar days after the licensee receives the revocation notice unless, within that time, the licensee appeals the decision under [4.2.5](#). A license is subject to revocation for the reasons listed in [4.2.2](#), or if there is probable cause to believe that it will be used in violation of USPS regulations. [P030.2.4]

4.2.5 Appeal Process

An applicant who is refused a license, or a licensee whose license is revoked, may file a written appeal with the manager of Postage Technology Management, USPS Headquarters (see [608.8.0](#) for address), within 10 calendar days after receiving notification of the decision. [P030.2.5]

4.3 Licensed User's Responsibilities

4.3.1 Signed Lease or Rental Agreement With Financial Agreement for Resetting

The licensee must enter into a lease or rental agreement with the provider that includes provisions for resetting the postage evidencing system with postage and an authorized postage payment process under which the licensee agrees to make payment for postage using a payment method approved by the USPS. The USPS is

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not a party to the lease or rental agreement but use of a postage evidencing system is subject to the regulations of the USPS and the terms and conditions of the lease or rental agreement and the payment process. [P030.3.1]

4.3.2 Custody of Meter

A postage evidencing system or PSD that is in the possession or custody of a licensee must remain in that user's custody until it is returned to the authorized provider, to its authorized agent, or to the USPS, or is seized by the Postal Inspection Service for violation of federal law. [P030.3.2]

4.3.3 Updating Licensee Information

The licensee must update required license application information with the provider whenever there is any change in the licensee's name, address, telephone number, licensing post office, location of the postage evidencing system, or location of the PSD. The USPS will update the license information based on the receipt of updated information submitted by the provider. [P030.3.3]

4.3.4 Relocation of Licensee

When a licensee notifies the provider of a change of the licensing post office in accordance with 4.3.3, the provider will perform the appropriate accounting functions to withdraw the postage evidencing system from service at the original licensing post office and install it and then reauthorize it for use at the new licensing post office, or issue another postage evidencing system for use at the new location. [P030.3.4]

4.3.5 Required Resetting

All postage evidencing systems must be reset at least once every 3 months. A zero value reset will meet this requirement. [P030.3.5]

4.3.6 Maintaining Records of Transactions

Some postage evidencing systems generate records of transactions relating to indicia creation, funds transfer (including postage value downloads), and system or PSD audits. For postage evidencing systems that do not maintain automated transaction records, licensees are strongly encouraged to maintain their own records of the readings of the ascending and descending registers for each day of operation. Transaction records are important in the validation of requests for refunds in the case of system malfunction. [P030.3.6]

4.3.7 Inspection and Examination of Transaction Records

The licensee must, upon request, make immediately available for examination and audit by the provider or by the USPS any postage evidencing system or PSD in the licensee's possession and any corresponding transaction records. The USPS can perform physical or remote examination of any postage evidencing system or PSD. The licensee must meet the requirements for provider inspections and USPS examinations. All postage evidencing systems are inspected in accordance with the Postage Evidencing Systems Inspection and Examination Schedule below.

SECURITY LEVEL	POSTAGE EVIDENCING SYSTEM	PROVIDER INSPECTION	USPS EXAMINATION REQUIREMENTS
1	Manually reset postage meter	Every 6 months	Must bring to post office for examination when not reset within 3 months
2	Remotely reset postage meter with letterpress or digital indicia, but without self-disabling feature	Annually or every 6 months when there is no setting activity in 6 months	Examinations in special circumstances
3	Remotely reset meter with letterpress indicia and self-disabling feature	Every 2 years or every 6 months when there is no setting activity in 6 months	Examinations in special circumstances
4	Remotely reset postage meter with digital indicia and self-disabling feature	Every 2 years or enhanced inspection process when approved by USPS	Examinations in special circumstances
5	PSD meter, IBI meter, or a PC Postage system	Inspections in special circumstances	Examinations in special circumstances

[P030.3.7]

4.3.8 Quality Assurance of PC Postage Indicia

Some PC Postage systems print indicia with a printer that may also be used for nonpostal applications. Users of such systems must forward a mailpiece bearing an indicium produced by the postage evidencing system and associated printer to the provider for quality assurance evaluation. The licensee must forward a quality assurance mailpiece to the provider when the system is installed, when there is a change to the printer connected to the system, and at least once every 12 months thereafter, in accordance with provider directions. [P030.3.8]

4.3.9 Labels With Fraud Warning and Serial Number

The licensee must ensure that the fraud warning label placed by the provider on the postage evidencing system or its housing is not removed or destroyed while the postage evidencing system is in the licensee's possession. The fraud warning contains basic reminders on leasing or rental and use of the postage evidencing system, warnings against system tampering or misuse resulting in nonpayment of postage owed, and the penalties for such system misuse. The USPS does not authorize postage evidencing systems for use without this fraud warning. When the postage evidencing system has a serial number or barcode equivalent on the system housing, the user must ensure that neither the serial number nor the barcode is removed or destroyed while the postage evidencing system is in the licensee's possession. [P030.3.9]

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4.3.10 USPS Examination of Suspect Postage Evidencing Systems or Postal Security Devices (PSDs)

The USPS may conduct unannounced, on-site examinations of postage evidencing systems or PSDs reasonably suspected of being manipulated or defective. A postal inspector may immediately withdraw a suspect postage evidencing system or PSD from service for physical and/or laboratory examination. The inspector withdrawing a suspect postage evidencing system or PSD issues the licensee a written acknowledgement of receipt of the item; forwards a copy to the provider; and, if appropriate, assists in obtaining a replacement postage evidencing system or PSD. Unless there is reason to believe that the postage evidencing system or PSD is fraudulently set with postage, existing postage in the postage evidencing system or PSD is refunded to the licensee, in accordance with established refund procedures, when it is withdrawn from service. [P030.3.10]

4.3.11 Defective Postage Evidencing System or Postal Security Device (PSD)

A defective postage evidencing system or PSD is one that is inoperable or inaccurately reflects its proper status. A faulty postage evidencing system or PSD may not be used under any circumstance. The procedures for dealing with a defective system are as follows:

- a. The licensee must immediately report any defective postage evidencing system or PSD to the provider.
- b. The provider must begin the retrieval process for any defective postage evidencing system or PSD within 2 business days of notification by the licensee.
- c. The provider may supply the licensee with a replacement postage evidencing system or PSD unless there is a reasonable basis for suspecting actual or attempted tampering.
- d. The provider may not authorize or issue a refund for monies remaining on the faulty postage evidencing system or PSD until the faulty system is in the possession of the provider and has been carefully inspected, and the refund amount has been approved by the manager of Postage Technology Management, USPS Headquarters. [P030.3.11]

4.3.12 Missing Postage Evidencing Systems or PSDs

The licensee must immediately report to the provider the loss or theft of any postage evidencing system or PSD or the recovery of any missing postage evidencing system or PSD. The report must include the system identification number and the date, location, and details of the loss, theft, or recovery. In the case of suspected theft, the licensee must submit a copy of the police report to the provider upon request. The provider will report all details of the incident to the manager of Postage Technology Management, USPS Headquarters, in accordance with established procedures. [P030.3.12]

4.3.13 Returning a Postage Evidencing System or Postal Security Device (PSD)

A licensee in possession of a faulty or retired postage evidencing system or PSD, or a licensed user who no longer plans to keep a postage evidencing system or PSD in their possession for any reason, must return it within 3 business days to the provider to be withdrawn from service. Postage evidencing systems and PSDs must be shipped by Priority Mail with Delivery Confirmation unless the manager of Postage Technology Management, USPS Headquarters, gives written permission to ship by another means or service. [P030.3.13]

4.3.14 Approval for Use of Postage Evidencing Systems at Military Post Offices

A person authorized by the Department of Defense to use the services of an overseas military post office, such as an APO or FPO, can use a USPS-approved postage evidencing system. For such users, the APO or FPO will be designated as the licensing post office on their user license. These users must deposit the mail prepared with their system at the licensing post office. All USPS policies and regulations regarding postage evidencing systems apply. [P030.3.14]

4.3.15 Approval for Use of Postage Evidencing Systems Outside the United States

The manager of Postage Technology Management, USPS Headquarters (see [608.8.0](#) for address), must give approval to the provider before the provider may place a postage evidencing system with a licensee who plans to use the system outside the customs territory of the United States to print evidence of U.S. postage. The procedures and conditions are as follows:

- a. Licensees must maintain a permanent, established business address in the United States.
- b. Postage evidencing systems used in foreign locations may be leased or rented only from those providers who have an authorized dealer or representative in the country where the postage evidencing system is to be located. The only exception is for those PC Postage systems for which the PSD remains in the custody and possession of the provider rather than the licensee.
- c. Licensees are subject to all USPS regulations and U.S. statutes pertaining to mail, mail fraud, and misuse of postage evidencing systems.
- d. All postage evidencing systems authorized by the USPS for use in foreign locations must have enhanced security features that include remote reset and a self-disabling feature that prevents printing of postage when specific programmed requirements are not met. Only those systems specifically approved in writing by the manager of Postage Technology Management, USPS Headquarters, may be used outside the customs territory of the United States.
- e. Potential users must submit to the provider all data required for a license to lease or rent postage evidencing systems outside the country. The provider will annotate the application to state that it is for the foreign use of a U.S. postage evidencing system and show where the system is to be located. The provider must submit the application to the manager of Postage Technology

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Management, USPS Headquarters, for review and approval. Once an application is approved and the license authorized, Postage Technology Management will designate the licensing post office and notify the provider and the licensee. The license can be used for multiple postage evidencing systems as long as they all belong to the same user and are licensed at the same post office. Mailers who already have a USPS license to lease or rent postage evidencing systems must apply separately to participate in this program.

- f. The provider selected by the licensee must agree in writing to all terms and conditions established by the USPS pertaining to the distribution of U.S. postage evidencing systems outside of the United States. Once the postage evidencing system is installed, the provider must provide the information on system placement directly to the manager of Postage Technology Management, USPS Headquarters.
- g. Mail to be metered must be metered with U.S. postage and must be entered at the domestic licensing post office.
- h. Postage evidencing systems located outside the United States must be remotely reset at least once every 3 months. A reset for zero postage satisfies this requirement. The Postage Evidencing System Inspection and Examination Schedule in 4.3.7 applies to all systems; however, special circumstances may be invoked to inspect systems placed outside the country more frequently. Failure to make the postage evidencing system available for inspection may result in the revocation of the foreign use license. [P030.3.15]

4.3.16 Updating Address Management System CD-ROM

For postage evidencing systems designed to access the USPS Address Management System (AMS) CD-ROM, the licensed user must maintain address quality by ensuring the CD-ROM is updated at least once every 6 months.

[P030.3.16]

4.4 Manually Reset Generation 1 Postage Meters

4.4.1 Initial Setting, Check In, and Installation

All manually reset meters will be taken out of service and replaced by remotely reset meters in accordance with a phased USPS retirement plan. No manually reset meters may be installed. [P030.4.1]

4.4.2 Check Out and Withdrawal

When a manually reset meter is withdrawn from a user, the provider must present the meter and a completed Form 3601-C to the licensing post office to have the meter checked out of service by the post office where it was regularly set or examined, unless the meter was serviced through the on-site meter service program described in 4.4.5. The manager of Postage Technology Management, USPS Headquarters, may allow the provider to check out a specifically designated manually reset meter model from service without USPS participation when the provider uses a USPS-approved process to transfer the postage remaining on the meter directly to a remotely reset meter. The withdrawal process for manually reset meters is completed when the data from Form 3601-C is transmitted to the appropriate postal information systems. [P030.4.2]

4.4.3 Location of Setting

Except under 4.4.5, a manually reset meter must be set at the licensing post office. Alternative meter setting locations are not allowed. A meter may not be set at a contract postal unit. [P030.4.3]

4.4.4 Paying for Postage Settings

Payment must be made for postage at the time of resetting. Payment may be in cash or by check, USPS-approved debit card, or money order. Payment is subject to USPS standards and procedures. [P030.4.4]

4.4.5 On-Site Meter Service Program

The on-site meter service program, where available, allows qualified USPS employees to set or examine manually reset meters and check them into or out of service at a licensee's place of business within the area served by the licensing post office, or at a facility of the provider or their agent. Only the licensee's meters participating in the on-site meter service program may be serviced at that location. A fee is charged for each meter set, examined, or checked into or out of service at a licensee's place of business, unless a USPS employee qualified to service meters is regularly assigned to that licensee's location for other postal administrative duties. The licensee must pay applicable postage and on-site meter service fees in 4.5.7 by check at the time of the meter service for manually reset meters. A fee is charged for each meter examined or checked into or out of service at a facility of the provider or their agent. The provider must pay applicable postage and on-site meter service fees by check at the time of the meter service. Fees are charged in accordance with 4.5.7. [P030.4.5]

4.4.6 Transfer or Refund of Unused Postage

After USPS verification, unused postage in a manually reset meter checked out of service may be transferred to another of the licensee's meters licensed at the same post office, or the licensee may request a refund. Refunds are granted in accordance with 10.0. [P030.4.6]

4.4.7 Postage Adjustment for a Faulty Meter

To request a postage adjustment for a faulty manually reset meter, the licensee must present to the provider the meter and the licensee's transaction records, if any. After examining a meter to be checked out of service for apparent faulty operation affecting the ascending or descending registers, the provider must report the malfunction to the manager of Postage Technology Management, USPS Headquarters. The report must contain all applicable meter documentation (including the setting history and transaction records, if any) and a recommendation about the appropriate postage adjustment, if any. When the electronic redundant memory data, as examined by the provider, is inconclusive with respect to the appropriate postage adjustment, the provider must include an analysis of the licensee's recent mailing history supporting the recommended postage adjustment, the reason for the memory failure, and the method used to determine the lost register values. At the same time the report is made to the USPS, the provider must notify the licensee of the proposed postage adjustment. A licensee may appeal a postage adjustment to the manager of Postage Technology Management, USPS

604.4.5

Headquarters (see [608.8.0](#) for address), within 60 calendar days of the date that the provider submitted the postage adjustment recommendation to the USPS and notified the user. [P030.4.7]

4.5 Remote Reset Generation 1 Postage Meters

4.5.1 Initial Setting, Check In, and Installation

A remote reset Generation 1 postage meter is checked into service in the presence of a postal employee qualified to check in postage evidencing systems. The meter is checked into service at the licensing post office unless the on-site meter service program in [4.5.6](#) is used. The provider must furnish the postal employee with the meter and a completed Form 3601-C. The check in process for a remote reset Generation 1 postage meter is completed when the required data is transmitted to the appropriate postal information systems, and may be completed concurrently with or prior to installation of the meter at the licensee's location. The manager of Postage Technology Management, USPS Headquarters, may allow the provider to check in a specifically designated meter model without USPS participation when the provider uses a USPS-approved process in which the information to complete the check in process is captured directly from the postage evidencing system. The installation process for these meters is completed when the provider transmits required data to the appropriate postal information systems. [P030.5.1]

4.5.2 Check Out and Withdrawal

A remote reset Generation 1 postage meter is checked out of service in the presence of a postal employee qualified to check out postage evidencing systems. The meter is checked out of service at the licensing post office unless the on-site meter service program in [4.5.6](#) is used. The provider must furnish the postal employee with the meter and a completed Form 3601-C. The check out process for a remote reset Generation 1 postage meter is completed when the required data is transmitted to the appropriate postal information systems. The manager of Postage Technology Management, USPS Headquarters, may allow the provider to check out a specifically designated meter model from service without USPS participation when the provider uses a USPS-approved process in which the information to complete the check out process is captured directly from the postage evidencing system. In this instance, the provider must examine the meter before a refund can be issued for the postage remaining in the meter. The withdrawal process for remote reset meters is completed when the provider transmits required data to the appropriate postal information systems. [P030.5.2]

4.5.3 Location of Setting

A remote reset Generation 1 postage meter is reset via telephone at the location of the meter. [P030.5.3]

4.5.4 Paying for Postage Settings

For a remote reset Generation 1 postage meter, the licensee may deposit funds only by check, electronic funds transfer, or automated clearing house transfer, in accordance with USPS standards and procedures. [P030.5.4]

4.5.5 Resetting a Remote Reset Generation 1 Postage Meter

To reset a remote reset Generation 1 postage meter, the following conditions must be met:

- a. The licensee's account must have sufficient funds to cover the desired postage increment, or the provider must have agreed to advance funds to the licensee.
- b. The licensee must give the provider 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 the postage evidencing system audit, and ascertain whether the user's account contains sufficient funds to cover the desired postage increment.
- c. After the resetting transaction is completed, the provider must document the transaction for the licensee, including the balance remaining in the licensee's account, unless the provider gives the user a monthly statement documenting all transactions for the period and the balance after each transaction. [P030.5.5]

4.5.6 On-Site Meter Service Program

The on-site meter service program, where available, allows qualified USPS employees to check remote reset Generation 1 meters into or out of service at a facility of the provider or their agent. Meters to be serviced are accompanied by Form 3601-C. A fee is charged for each meter examined or checked into or out of service at a facility of the provider or their agent. The provider must pay applicable postage and on-site meter service fees by check at the time of the meter service for remote reset Generation 1 meters. Fees are charged in accordance with 4.5.7. [P030.5.6]

4.5.7 On-Site Meter Service Fee

Fees for on-site meter service:

- a. Meter service (per employee, per visit): \$35.00.
- b. Meters reset/examined (per meter): \$5.00.
- c. Checking meters in/out of service (per meter; fee does not apply to secured postage meters that use a USPS-approved automated process for checking in and out): \$4.00. [R900.15.0]

4.5.8 Transfer or Refund of Unused Postage

After USPS verification, unused postage in a remote reset Generation 1 postage meter checked out of service may be transferred by the USPS to another of the licensee's postage evidencing systems licensed at the same post office, or to the customer's meter resetting account, or the licensee may request a refund. Refunds for unused postage in the meter and for any unused balance in the licensee's account are granted in accordance with 10.0. [P030.5.7]

4.5.9 Postage Adjustment for Faulty Meters

To request a postage adjustment for a faulty remote reset Generation 1 postage meter, the licensee must present to the provider the meter and the licensee's transaction records, if any. After examining a meter checked out of service for apparent faulty operation affecting the ascending or descending registers, the provider must report the malfunction to the manager of Postage Technology Management, USPS Headquarters. The report must contain all applicable meter documentation and a recommendation regarding the appropriate postage adjustment, if any. When the electronic redundant memory data, as examined by the

provider, is inconclusive as to the need for a postage adjustment, the provider must include an analysis of the licensee's recent mailing history supporting the recommended postage adjustment, the reason for the memory failure, and the method used to determine the lost register values. At the same time the report is made to the USPS, the provider must notify the licensee of the proposed postage adjustment. A licensee may appeal a postage adjustment to the manager of Postage Technology Management, USPS Headquarters (see [608.8.0](#) for address), within 60 calendar days of the date that the provider submitted the postage adjustment recommendation to the USPS and notified the user. [P030.5.8]

4.6 PSD Meters and IBI Meters

4.6.1 Initialization, Authorization, Check In, and Installation

All PSD meters and IBI meters use a PSD to maintain postal registers and authorize the printing of evidence of postage. Before the licensee can print evidence of postage, these postage evidencing systems 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 PSD when certain user-specific information changes. PSD meters and IBI meters are checked into service by the provider. The information necessary to complete the check in process is captured directly from the postage evidencing system. The installation process for these meters is completed when the required data is transmitted to the appropriate postal information systems. [P030.6.1]

4.6.2 Check Out and Withdrawal

When a PSD meter or IBI meter is no longer used, the licensee notifies the provider and arranges to return the meter to the provider. The provider checks the meter out of service. The provider must examine the meter before a refund can be issued for any postage remaining on the meter. The information to complete the check out process is captured directly from the postage evidencing system. The withdrawal process for a PSD meter or IBI meter is completed when the required data is transmitted to the appropriate postal information systems. [P030.6.2]

4.6.3 Location of Setting

A PSD meter or IBI meter is reset remotely at the location of the meter by means of a connection between the provider's resetting system and the postal registers in the PSD. [P030.6.3]

4.6.4 Paying for Postage Settings

For PSD meters and IBI meters the licensee may deposit funds only by check, electronic funds transfer, or automated clearing house transfer, in accordance with USPS standards and procedures. [P030.6.4]

4.6.5 Resetting a Postal Security Device (PSD) or Information Based Indicia (IBI) Meter

To reset a PSD meter or IBI meter the following conditions must be met:

- a. The licensee's account must have sufficient funds to cover the desired postage increment, or the provider must have agreed to advance funds to the licensee.

- b. 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 remote postage evidencing system audit, and ascertain whether the user's account contains sufficient funds to cover the desired postage increment.
- c. After the resetting transaction is completed, the provider must document the transaction for the licensee, including the balance remaining in the licensee's account, unless the provider gives the user a monthly statement documenting all transactions for the period and the balance after each transaction. [P030.6.5]

4.6.6 Refund of Unused Postage

Unused postage in a PSD meter or IBI meter will be refunded to the licensed user along with any unused balance in their account under [10.0](#). [P030.6.6]

4.6.7 Postage Adjustment for Faulty Postage Security Device (PSD) Meters and Information Based Indicia (IBI) Meters

When the licensee requests a postage adjustment for a faulty PSD meter or IBI meter, the meter must first be withdrawn from service and physically examined by the provider. The provider will compare the data in the PSD registers with the data from the system transaction records. After examining a PSD meter or IBI meter withdrawn from service for apparent faulty operation affecting the ascending or descending registers, the provider must notify the licensee of the proposed postage adjustment, if any. At the same time the user is notified, the provider must report the malfunction to the manager of Postage Technology Management, USPS Headquarters. The report must contain all applicable documentation (including a copy of the transaction records) and a recommendation for any appropriate postage adjustment. The licensee may appeal a postage adjustment to the manager of Postage Technology Management, USPS Headquarters (see [608.8.0](#) for address), within 60 calendar days of the date that the user is notified of the proposed postage adjustment recommendation. [P030.6.7]

4.7 Indicia—General Information

4.7.1 Amount of Postage

The value of the indicia affixed to each mailpiece must be either the exact amount due or another amount permitted by standard. Refunds for overpayment must meet the standards in [10.0](#). [P030.8.1]

4.7.2 Refunds for Unused Indicia

Refunds for indicia amounts already printed on an envelope or label but not mailed are made in accordance with [10.0](#). [P030.8.2]

4.7.3 Use of Indicia

Valid indicia produced by a postage evidencing system can be used only to show evidence of payment for postage or other services provided by the USPS. Indicia for zero postage must not be affixed to any item delivered by another carrier. In any illustration of information-based indicia (IBI) produced by an IBI meter or a PC Postage system, and not intended to be used as postage, the two-dimensional barcode or other USPS-approved symbology must be rendered unreadable.

[P030.8.3]

4.8 Indicia

4.8.1 Approval of Indicia Design

The manager of Postage Technology Management, USPS Headquarters, must approve the design (type, format, and content) of all indicia that will be produced by a postage evidencing system. This approval shall include all elements in the indicium required by USPS regulations and the postage evidencing system performance criteria and applies to the entire area within the indicium boundary. [P030.9.1]

4.8.2 Legibility Standards

Indicia must be legible. Illegible or unreadable (unscannable) indicia are not acceptable as payment of postage. Should there be a need to place multiple indicia on an envelope (e.g., for redate or postage correction) the indicia must not overlap each other. Overlapping indicia are not acceptable as payment of postage. Reflectance measurements of the indicia and the background material must meet the standards in 708.4.3. [P030.9.2]

4.8.3 Position of Indicia on Mailpiece

Indicia must be printed or applied in the upper right corner of the envelope or address label. Indicia must be at least 1/4 inch from the right edge of the mailpiece and 1/4 inch from the top edge of the mailpiece, and must not infringe on the areas reserved for the FIM, POSTNET barcode, or optical character reader (OCR) clear zone. Indicia must be oriented with the longest dimension parallel to the address. When a FIM is printed with the indicia, the position of the FIM must meet the requirements in 708.9.0. [P030.9.3]

4.8.4 Physical Dimensions of an Indicia

The USPS controls what is printed within the boundaries of indicia. The boundaries are defined as follows:

- a. For letterpress indicia, the boundaries are determined by the dimensions of the printing die used by the postage evidencing system to print postal information. Licensees may obtain an additional printing die from the provider, often called the “ad plate,” for additional text to be included when printing indicia. The ad plate may contain postal markings or other printed matter.
- b. For digital indicia, including IBI, the boundaries are defined by the right edge of the envelope, the top edge of the envelope, and the bottom edge and the left edge of any USPS-required indicium element printed by the postage evidencing system. A 1/2-inch clear zone, within which nothing shall be printed by the postage evidencing system, must surround the indicium boundaries to the left of and below all elements of the indicium. [P030.9.4]

4.8.5 Indicia Content

Unless otherwise approved by the manager of Postage Technology Management, USPS Headquarters, indicia must include the following information:

- a. The city, state, and 5-digit ZIP Code of the licensing post office; the postage evidencing system serial number or PSD identification number; identification of the provider; the date of mailing; the words “US Postage,” and the postage amount.

- b. As an alternative to the city, state, and 5-digit ZIP Code of the licensing post office, just the ZIP Code of the licensing post office; in this case, the words “Mailed from ZIP Code” may be added to the indicia. For letterpress meters only, the city and state of the licensing post office may be used without also including the ZIP Code, upon approval of the manager of Postage Technology Management, USPS Headquarters.
- c. For multiple indicia on a given mailpiece, information showing the licensing post office in each indicium.
- d. For digital indicia, including IBI, the class of mail and presort level.
- e. For IBI, the required data elements of the two-dimensional barcode or other USPS-approved symbology in accordance with the performance criteria for the given postage evidencing system.
- f. For meters and other postage evidencing systems placed in main offices, stations, or branches of the Postal Service, the indicia must include the capital letters “USPS.” No postage meter or postage evidencing system placed in any other location may include “USPS” in the indicia.
- g. For special indicia, including date correction or redate indicia, postage correction indicia, indicia for APO/FPO, and indicia for prepaid reply mail, information as required in 4.9.4. [P030.9.5]

4.8.6 Indicia Design Standards

Arial font must be used for all postal information in the indicia. The postage amount must be at least 10-point type size. When they are required in the indicium, the capital letters “USPS” must be at least 12 points. For all other required information, the type size must be at least 8 points. The mail class or endorsement, the postage amount, and the words “US Postage” must be in bold capital letters. Text identifying special indicia (“redate,” “postage correction,” “reply postage”) must be in 8-point bold capital letters. The words “US Postage” must be the most prominent and conspicuous printed matter in the indicia other than the postage amount. [P030.9.6]

4.8.7 Optional Postal Markings Included in an Indicia

The postal marking that may be included in indicia vary by indicia type, as follows:

- a. Letterpress indicia may include postal markings related to the class of mail and presort level, or ancillary service endorsement, in accordance with postal regulations. When placed in the ad plate area, only the postal marking may be printed, and it must fill the ad plate area as much as possible. All words must be in bold capital letters at least 1/4 inch high or 18-point type, and legible. Exceptions are not made for small ad plates that cannot accommodate a permissible marking.
- b. Digital indicia may include ancillary service endorsements. [P030.9.7]

4.8.8 Optional Content Included in an Indicia

Other printed matter must not infringe on the areas reserved for the FIM, POSTNET barcode, or optical character reader (OCR) clear zone. The matter that may be printed is based on indicia type, as follows:

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- a. For letterpress indicia only, advertising matter, slogans, and return addresses may be printed with the indicia within space limitations. Licensed users must obtain the ad plates for printing this matter from the authorized provider. Ad plate messages must be distinguished by the inclusion of the name of the mailer or words such as "Mailer's Message." The ad plate must not be obscene, defamatory of any person or group, or deceptive, nor may it advocate unlawful action. The ad plate must not emulate any form of valid indicia or payment for postage.
- b. For postage evidencing systems that print digital indicia, including IBI, an approved indicium shall include within its boundaries only postal markings and text required or recommended by USPS regulation, except that the indicium may identify the provider. Other matter may be printed only outside the boundaries of the clear zone surrounding the indicium. Such printed matter may not be obscene, defamatory of any person or group, or deceptive, and it must not advocate any unlawful action. The printed matter must not emulate any form of valid indicia or payment for postage. [P030.9.8]

4.8.9 Ink

All indicia printed by Generation 1 postage evidencing systems must be printed with USPS-approved fluorescent ink. Failure to use fluorescent ink may lead to the revocation of the user's license. Generation 2 postage evidencing systems must use fluorescence to ensure that the mail is faced during processing, unless otherwise approved by the manager of Postage Technology Management (see [608.8.0](#) for address). Generation 2 postage evidencing systems that do not print with fluorescent ink must use an alternative USPS-approved method to ensure that the mail is faced during processing. Approved methods include use of a facing identification mark (FIM) for indicia printed directly on letter-size First-Class Mail or printing indicia on USPS-approved labels. The ink or alternative facing method used is specified in the indicia approval granted by the manager of Postage Technology Management, USPS Headquarters. [P030.9.9]

4.8.10 Facing Identification Mark

The facing identification mark (FIM) serves to orient and separate certain types of First-Class Mail during the facing and canceling process. Letter-size First-Class Mail with IBI printed with nonfluorescent ink directly on the envelope by an IBI meter or a PC Postage system must bear a USPS-approved FIM D unless it is courtesy reply mail. The FIM must meet the format, dimensions, print quality, and placement specified in [708.9.0](#). [P030.9.10]

4.8.11 Adhesive Tape or Label

When indicia are printed on adhesive tape or on a label for application to the mailpiece, the tape or label used, including the label stock itself as well as the use of fluorescent ink to print indicia and the format and placement of any fluorescence on the label stock, must be approved by the manager of Postage Technology Management, USPS Headquarters. Failure to use the label approved by the USPS for use with the system may result in revocation of the postage evidencing system license. The label must meet the following requirements:

- a. The label must be a pressure-sensitive, permanent label. The label is subject to the corresponding standards in [201.3.12.2](#) for minimum peel adhesion. The applied label must adhere well enough that it cannot be removed in one piece. A face stock/liner label (also called a “sandwich” label) must not be used for printing indicia for postage evidencing.
- b. The label must meet the reflectance requirements in [708.4.3](#).
- c. The label must be large enough to contain the entire indicia.
- d. Indicia printed on a label must be the same as the indicia approved by the manager of Postage Technology Management for printing directly on an envelope. The label must not include any image or text other than those allowed by USPS regulation, unless approved by the manager of Postage Technology Management.
- e. For labels or tapes applied to standard letter-size envelopes and postcards sent as First-Class Mail, the indicia must be printed with fluorescent ink, or the label must have fluorescent tagging that is sufficient to enable the USPS to face and process the mail, as verified by postal testing of each label design. The fluorescent tagging must meet a minimum fluorescent emission intensity of at least 20 phosphor meter units (PMUs), with a maximum of 70 PMUs. The visible color of the fluorescent tagging may be any color that meets the fluorescence requirements. The fluorescent tagging shall exhibit no noticeable change (i.e., no more than 10%) in its emission when exposed to elevated temperature and high humidity conditions.
- f. The label must be placed on the envelope so that the position of the indicium meets the requirements in [4.8.3](#).
- g. When a label is applied to an envelope that already has a FIM, the label must not cover the existing FIM. [P030.9.11]

4.8.12 Indicia Date Requirements

The mailing date in meter indicia must meet the format standards in [4.8.6](#) and this section. The year must be represented by all four digits or by the last two digits. The indicia may be printed directly onto mailpieces or onto separate labels or tape affixed to mailpieces. The mailing date format used in the indicia is subject to the following:

- a. *Complete Date*. At the mailer's option, a complete mailing date (month, day, and year) in the indicia may be used for any Standard Mail or Package Services piece. A complete date must be used for the following:
 1. All First-Class Mail, Priority Mail, and Express Mail pieces.
 2. Any mail with Insured Mail, COD, or Special Handling service.
 3. All mail prepared with the indicia printed on nonadhesive paper (e.g., computer printer paper) and affixed to the mailpiece or used as part of an insert in a window envelope or similar holder.
 4. Prepaid metered reply mail generated by a PC Postage system under [4.9.4](#).

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- b. *Month and Year.* A mailing date consisting solely of the month and year in the indicia may be used only for Standard Mail and Package Services pieces.
- c. *No Date.* No mailing date may be used in the indicia for prepaid metered reply mail under 4.9.4, except for IBI generated by a PC Postage system. No mailing date in the indicia may be used for Standard Mail and Package Services pieces not subject to 604.4.8.12a.. [P030.9.12]

4.8.13 Date Accuracy and Mailing Periods

The date or period when metered mail may be deposited or presented for mailing is controlled by the mailing date in the indicia as follows:

- a. *Complete Date.* Mailpieces bearing a complete date in the indicia must be deposited or presented on that date, except that pieces entered after the day's last scheduled collection from the licensing post office or collection box may bear the actual date of entry or the date of the next scheduled collection from the licensing post office or collection box. Authorized dispatch-prepared presort mail accepted after midnight may bear the previous day's date. If the mailer knows that the mail is not to be deposited or presented on the date in the indicia, the mailer must use a date correction indicia under 4.9.1. Prepaid metered reply mail generated by a PC Postage system under 4.9.4 and showing a complete date in the indicia may be deposited or presented for mailing on any date without date correction.
- b. *Month and Year.* Mailpieces bearing only the month and year in the indicia may be deposited or presented for mailing on any day during the month shown in the indicia and through the third day of the following month.
- c. *No Date.* Mailpieces bearing no date in the indicia may be deposited or presented for mailing on any date. [P030.9.13]

4.9 Special Indicia

4.9.1 Date Correction or Redate

A date correction or redate indicium is required for any mailpiece not deposited by the date of mailing in the indicium as required by 4.8.13. Only one date correction indicium is permitted on a mailpiece. The date correction or redate indicium may be printed on a USPS-approved label instead of directly on the mailpiece. Formats are as follows:

- a. For all postage evidencing systems except PC Postage systems, a date correction must show the actual date of deposit and zero postage value ("0.00"). On letter-size mail, the date correction is placed on the nonaddress side in the upper right corner or on the address side in the lower left corner. On flat-size mail or parcels, the date correction must be placed next to the original indicium, except when applied by an ink jet printer on barcoded flats. The mailer may use an ink jet printer to correct the date in the indicia on mailpieces in barcoded mailings if the text, preceded by two asterisks and showing the actual date of deposit, city, state, and 3-digit ZIP Code of the mailing office, is placed above the address block and below the indicia. Alternatively, on flat-size mailpieces in barcoded mailings only, the mailer may use an ink jet printer to apply the date correction just above the barcode when the barcode is applied by an ink jet printer in accordance with 302.4.1.

- b. For PC Postage systems, a date correction or redate indicium includes only the actual date of deposit and the word “REDATE,” instead of a postage value. On letter-size mail, redate indicia must be placed on the nonaddress side at least 3/4 inch from the bottom edge of the mailpiece and not on an envelope flap. On flats or parcels, it must be placed next to the original indicium. The redate or date correction must not include the FIM or the two-dimensional barcode.

[P030.10.1]

4.9.2 Postage Correction

Indicia for additional postage must be placed on a shortpaid mailpiece to correct postage. The postage correction may be printed on a USPS-approved label instead of directly on the mailpiece and must contain all of the elements required for indicia in 4.8.5. Formats are as follows:

- a. For all postage evidencing systems except for PC Postage systems, the postage correction indicium is placed on the nonaddress side in the upper right corner or on the address side in the lower left corner of letter-size mail. On flats or parcels, it must be placed next to the indicium.
- b. For a PC Postage system, the word “CORRECTION” must be printed in the postage correction and it must not include a FIM. On letter-size mail, the PC Postage correction indicium must be printed on the nonaddress side at least 3/4 inch from the bottom edge of the mailpiece and not on an envelope flap. On flats or parcels, it must be placed next to the original indicium. The postage correction indicium may be printed on a USPS-approved label instead of directly on the mailpiece. [P030.10.2]

4.9.3 APO/FPO Meters

Postage evidencing systems used by military (APO/FPO) post offices must show the military branch and address format for each location (e.g., “ARMY APO AE 09102”). Exceptions are made only for postage evidencing systems used in fleet post offices on board U.S. naval vessels that may show the name of the ship instead of the standard wording for Navy meters (e.g., “USS SARATOGA (CV-60) 34078-2740”).

[P030.10.3]

4.9.4 Reply Postage

Indicia generated by any postage evidencing system may be used to prepay reply postage on Express Mail; on Priority Mail when the rate is the same for all zones; on First-Class Mail cards, letters, and flats up to a maximum of 13 ounces; and on single-piece rate Media Mail and Library Mail, under the following conditions:

- a. The postage amount must be enough to prepay the postage in full.
- b. Indicia may be printed directly on the mailpiece or on a label and must be positioned in accordance with 4.8.3. An applied label must meet the standards in 4.8.11.
- c. Indicia used to prepay reply postage, except for IBI generated by a PC Postage system, must not show the date.
- d. IBI generated by a PC Postage system to prepay reply postage must show the date the licensee printed the indicium and must include the words “REPLY POSTAGE.”

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- e. The mailpiece must be pre-addressed for return to the licensee. Prepaid reply mail is delivered only to the address of the licensee. When the address is altered, the mail is held for postage.
- f. Except for those PC Postage systems with the capability to print an address for the given class or size of mailpiece, the address side of reply mail may be prepared by any photographic, mechanical, or electronic process or combination of such processes (other than handwriting, typewriting, or handstamping). For those PC Postage systems with the capability to print destination addresses for the given size and class of mailpiece, the address must be prepared using the PC Postage system.
- g. The words “NO POSTAGE STAMP NECESSARY POSTAGE HAS BEEN PREPAID BY” must be printed above the address.
- h. For barcoded letter-size First-Class Mail reply mail for all postage evidencing systems except PC Postage, FIM A may be used. For PC Postage, FIM D is required for prepaid reply mail when the indicium is printed directly on the mailpiece.
- i. The address side must follow the style and content as described in this section and shown in the illustration below. Nothing may be added except a return address, FIM, or barcode.



[P030.10.4]

4.9.5 Unpaid Metered Reply Mail

Metered reply mail on which the mailer failed to imprint a meter stamp is treated as business reply mail (BRM). Such mail is delivered on payment of postage and the applicable business reply per-piece charge for basic BRM. [P011.1.3]

4.10 Mailings

4.10.1 Preparation of Metered Mail

Metered mail is subject to the preparation standards that apply to the class of mail and rate claimed. [P030.11.1]

4.10.2 Completing Form 3615, Mailing Permit Application and Customer Profile

Mailers who present presorted First-Class Mail, Standard Mail, Parcel Post in bulk quantities, Presorted Bound Printed Matter, Carrier Route Bound Printed Matter, or Presorted Media Mail using metered postage must complete Form 3615.

Completion of this form is for record keeping only. If an applicant has a completed Form 3615 on file for other services, notification to present metered mail in bulk is annotated on the existing application. There is no fee for this service. [P030.11.2]

4.10.3 Combining Metered Mail With Other Postage Methods

Metered mail may be combined in the same mailing with mail paid by other methods only if authorized by the USPS. [P030.11.3]

4.10.4 Depositing Metered Mail

Metered mail must be deposited at a postal facility within the jurisdiction of the licensing post office (i.e., the ZIP Code shown in the indicia). However, Express Mail, Priority Mail, and single-piece rate First-Class Mail may be deposited at other than the licensing post office when necessary. Metered mail also may be drop shipped under [705.17.0](#). [P030.11.4]

4.10.5 Irregularities

USPS examines metered mail to detect irregularities in preparation and dating. [P030.11.5]

4.11 Authorization to Produce and Distribute Meters

Title 39, Code of Federal Regulations, part 501, contains information concerning authorization to produce and distribute postage meters (postage evidencing systems); the suspension and revocation of such authorization; performance standards, test plans, testing, and approval; required production security measures; and standards for distribution and maintenance. Further information may be obtained from the manager of Postage Technology Management, USPS Headquarters (see [608.8.0](#) for address). [P030.12.0]

5.0 PC Postage

5.1 Initialization, Authorization, Check In, and Installation

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

604.5.2

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. [P030.7.1]

5.2 Check Out and Withdrawal

When a PC Postage system is no longer used, the licensee notifies the provider. The provider withdraws the system from service and transmits the required data to the appropriate postal information systems to check it out of service. A PSD in the custody of the licensee must be returned to the provider for examination before a refund can be issued for any postage remaining on the PSD. [P030.7.2]

5.3 Location of Setting

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. [P030.7.3]

5.4 Paying for Postage Settings

For a PC Postage system, the USPS will accept payment only in the form of credit card or automated clearing house debit, in accordance with USPS standards and procedures. [P030.7.4]

5.5 Resetting a PC Postage System

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

- a. 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.
- b. 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.
- c. The provider will supply the licensee with documentation of the reset transaction and the balance in the descending register, if any. [P030.7.5]

5.6 Postage Refunds

The USPS provides refunds for the entire postage value balance remaining on the PSD of a PC Postage system that is withdrawn from service and is in the possession of the provider. Refunds are requested and paid through the provider in accordance with 10.0. [P030.7.6]

5.7 Postage Adjustment for Faulty Postal Security Devices (PSDs)

When the licensee requests a postage adjustment for a faulty PSD of a PC Postage system, the PSD must first be withdrawn from service and physically examined by the provider. The provider will compare the data in the PSD registers with the data from the system transaction records. After examining a PSD withdrawn from service for apparent faulty operation affecting the ascending or descending registers, the provider must notify the licensee of the proposed postage adjustment, if any. At the same time the user is notified, the provider must report the malfunction to the manager of Postage Technology Management, USPS Headquarters. The report

must contain all applicable documentation (including a copy of the transaction records) and a recommendation for any appropriate postage adjustment. The licensee may appeal a postage adjustment to the manager of Postage Technology Management, USPS Headquarters (see [608.8.0](#)), within 60 calendar days of the date that the user is notified of the proposed postage adjustment recommendation. [P030.7.7]

6.0 Permit Imprint (Indicia)

6.1 General Standards

6.1.1 Definition

A mailer may be authorized to mail material without affixing postage when payment is made at the time of mailing from a permit imprint advance deposit account established with the USPS for that purpose. This payment method may be used for postage and extra service fees for First-Class Mail, Standard Mail, and Package Services. This method is not available for Periodicals or Express Mail and must not be used to pay postage on any mailpiece that is designed for reply purposes. [P040.1.1]

6.1.2 Minimum Volume

Permit imprint mailings must contain at least 200 pieces or 50 pounds, except:

- a. Other higher minimum quantities may apply, depending on the rate claimed.
- b. An occasional First-Class mailing may contain fewer than 200 pieces if from a mailer whose total daily mailings are not much more than 200 pieces but who, to cooperate with the post office, presents a part of that mail early in the day.
- c. A mailing may contain fewer than 200 pieces if it is the completion of a large mailing extending over 2 or more consecutive days and the mailer includes an explanation on the accompanying postage statement.
- d. Single-piece rate mailings submitted under the terms of an approved manifest mailing system agreement with a minimum volume reduction provision.

[P040.5.1]

6.1.3 Use of Permit Imprint

Each mailpiece sent under this payment method must bear a permit imprint indicia showing that postage is paid. Permit imprint indicia may be printed directly on mailpieces, on labels (including address labels) permanently affixed to mailpieces, or on mailpiece wrappers, envelopes, and other containers. Except where the enclosure is prohibited by other standards, matter bearing a permit imprint indicia may be mailed as an enclosure when postage for the enclosure or the host matter is not paid with the enclosed permit imprint, and the enclosed permit imprint indicia is not visible when the matter is mailed. [P040.1.9]

6.1.4 Permit and Fees

A mailer may obtain a permit to use a permit imprint indicia and pay postage in cash before or at the time of mailing by submitting Form 3615 and the applicable fee to the post office where mailings are made. There is no other fee for the use of a permit

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imprint indicia as long as the permit remains active, but other fees (e.g., an annual presort mailing fee) may be due depending on the class of mail to be prepared.

[P040.1.5]

6.1.5 Application Fee

Application fee: \$150.00. [R900.18.0]

6.1.6 Payment of Permit Imprint Postage

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 the funds paid or 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 mailings can be accepted. Credit for postage is not allowed. Postage may not be paid partly in money and partly by postage stamps unless permitted by standard. [P040.5.5]

6.1.7 Preparation of Mailing

All pieces in a permit imprint mailing must be faced (i.e., positioned with all addresses in the same direction, unless counterstacked under the applicable standards) and meet the preparation standards for the rate claimed. Mail claimed at a postage rate that varies by zone must be separated by zone when mailed, unless otherwise authorized by the USPS. [P040.5.3]

6.1.8 Weight Standards for Permit Imprint Mailing

All pieces in a permit imprint mailing must be of identical weight unless otherwise authorized by the USPS. [P040.5.2]

6.1.9 Combining Permit Imprint Mailings With Other Payment Methods

Mailpieces paid with permit imprint may be combined in the same mailing with pieces paid with other methods only if authorized by the USPS. [P040.1.4]

6.1.10 Presenting Mailings to be Weighed

Permit imprint mailings with postage paid by advance deposit account must be presented to the USPS for weighing, unless otherwise authorized by Business Mailer Support, USPS Headquarters. [P040.1.3]

6.1.11 Depositing Permit Imprint Mailings

Mail must be deposited and accepted at the post office that issued the permit, at a time and place designated by the postmaster, except as otherwise provided for plant-verified drop shipments. [P040.5.4]

6.2 Suspension and Revocation**6.2.1 Suspension of Authorization**

The USPS may immediately suspend the authorization to use a permit imprint if the permit holder or its agent refuses or fails to provide information in a timely manner (as specified in [604.6.3.9](#)) to the USPS about the use of its company permit.

[P040.1.7]

6.2.2 Revocation of Permit

A permit may be revoked for use in operating any unlawful scheme or enterprise, for nonuse during any 2-year period, for refusal to provide information about permit imprint use or mailings, or for noncompliance with any standard applicable to permit imprints. The permit holder may make a written appeal to the postmaster within 10 days of receipt of the notice. [P040.1.8]

6.3 Indicia Design, Placement, and Content**6.3.1 Production**

Embossed or unembossed permit imprint indicia may be made by printing press, hand stamp, lithography, mimeograph, multigraph, address plate, or similar device. They may not be typewritten or hand-drawn. [P040.2.1]

6.3.2 Permit Imprint Indicia Content and Format

The content and format of a permit imprint indicia must meet the standards below. No other formats may be used. [P040.2.2]

6.3.3 Indicia Legibility and Color

The permit imprint indicia must be legible and of a color that contrasts sufficiently with the paper and the indicia's background for readability. A different color may be used to highlight the background of an indicia. [P040.2.3]

6.3.4 Indicia Placement on Mailpiece

Permit imprint indicia must be aligned parallel with the address of the mailpiece. The indicia must not encroach on reserved space (e.g., ACS participant code, delivery point barcode) if such a standard applies and can be placed in one of these four positions:

- a. Upper right corner of the mailpiece.
- b. Upper right corner of the address area.
- c. To the right of the address on an address label.
- d. To the right of the address on an insert appearing through a window envelope. [P040.2.4]

6.3.5 Marking Expedited Handling on Standard Mail

Except for postcard-size mail and permit imprint indicia placed on address labels, indicia on Standard Mail pieces bearing references to expedited handling or delivery (e.g., "Priority," "Express," "Overnight") must:

- a. Show the words "Presorted Standard" (or "PRSRT STD") or "Nonprofit Organization" (or "Nonprofit Org." or "Nonprofit") more prominently than other words in the indicia.
- b. Include a clear space of at least 3/8 inch around the entire indicia. [P040.2.5]

6.3.6 First-Class Mail and Priority Mail Format

A permit imprint indicia on First-Class Mail or Priority Mail must show "First-Class Mail" or "Priority Mail" (or "Priority"), as applicable; "U.S. Postage Paid"; city and state; and permit number. The "Priority Mail" (or "Priority") marking may be omitted when using USPS-provided Priority Mail envelopes and containers. The indicia may show the mailing date, amount of postage paid, or the number of ounces for which

postage is paid. The ZIP Code of the permit holder may be shown directly after the state name or in a separate inscription reading “ZIP Code 00000,” when that ZIP Code does not create uncertainty about the permit holder’s correct address or permit number. Instead of printing the city and state of mailing in the indicia, the mailer may print “Mailed From ZIP Code,” followed by the 5-digit ZIP Code assigned to the postmaster of the mailing office. The indicia may also include required rate markings. [P040.3.1]

6.3.7 Standard Mail and Package Services Format

A Standard Mail or Package Services permit imprint indicia must contain the same information required in 6.3.6 for a First-Class Mail indicia, except “First-Class Mail” or “Priority Mail” (or “Priority”) must be omitted. The indicia may include the amount of postage paid, the weight of the piece, and rate markings as required. The indicia must not include the mailing date. [P040.3.2]

6.3.8 Indicating Extra Services

Permit imprint mail with extra services also paid with a permit must show “First-Class Mail” (if First-Class Mail); “U.S. Postage and Fees Paid”; city and state; and permit number. The city, state, and permit number may be omitted in a company permit imprint indicia, subject to 6.3.9. [P040.3.3]

6.3.9 Use of a Company Permit Imprint

A company permit imprint is one in which the exact name of the company or individual holding the permit is shown in the indicia in place of the city, state, and permit number. A customer may use a company permit imprint if:

- a. For 1 year from the date of mailing, the permit holder or its agent keeps records for each mailing paid with a company permit imprint and makes them available for USPS review on request. These records include (for each version of what was mailed, if applicable) the weight of a single piece; the total number of pieces mailed; the total postage; the date(s) and post office(s) of mailing; and other records required by the postage rate claimed or the payment method used. A complete sample mailpiece must be included for each identical-weight mailing, or each commingled or combined version in a nonidentical-weight mailing. Sample pieces are not required for nonidentical-piece Standard Mail and Package Services machinable or irregular parcel mailings (e.g., merchandise and other fulfillment mailings).
- b. Each mailpiece bears a complete domestic return address. The return address on official mail is subject to the corresponding standards. On unendorsed Standard Mail and Bound Printed Matter, the return address is permitted below the indicia. Except for official mail, if the return address is *not* the physical location at which the USPS may review the records listed in 6.3.9a (i.e., where they are kept or can be made available) or is *not* a point of contact from which such a physical location can be readily determined, the mailer must:
 1. Include in the indicia the 5-digit ZIP Code of the physical location at which the records listed in 6.3.9a are either kept or can be made available for USPS review.

2. Provide the postmaster of that post office with a complete sample mailpiece (except as noted above); the date(s) and post office(s) of mailing; and the name and local address of the party from whom the records listed in [6.3.9a](#) may be obtained. [P040.3.4]

6.3.10 Indicia Formats

Unless prepared under the option in [6.3.11](#), permit imprint indicia for ordinary mail, official mail, and Mailgrams must be prepared in one of the formats exemplified in [Exhibit 6.3.10](#), as applicable to the rate claimed or type of mail. (Not all permissible combinations of content elements are shown.) Specific markings may be required by the standards for the rate claimed. [P040.4.1]

604.6.3.10

Exhibit 6.3.10 Indicia Formats for Mailgrams, Official Mail, and Other Classes

Mailgram:

MAILGRAM POSTAL CHARGES PAID WESTERN UNION

Note: These are only examples; not all possible variations are shown. When not in indicia, class or rate must be marked on mailpiece, directly below or to the left of the indicia.

First-Class Official Mail:

FIRST-CLASS MAIL POSTAGE & FEES PAID AGENCY NAME PERMIT NO. G-999
--

PRESORTED FIRST-CLASS MAIL POSTAGE & FEES PAID AGENCY NAME PERMIT NO. G-999

FIRST-CLASS MAIL AUTO POSTAGE & FEES PAID AGENCY NAME PERMIT NO. G-999
--

Note: These are only examples; not all possible variations are shown. When not in indicia, class or rate must be marked on mailpiece, directly below or to the left of the indicia.

Standard Mail Official Mail:

PRSRT STD POSTAGE & FEES PAID AGENCY NAME PERMIT NO. G-999

PRESORTED STANDARD AUTOOCR POSTAGE & FEES PAID AGENCY NAME PERMIT NO. G-999

PRSRT STD AUTO POSTAGE & FEES PAID AGENCY NAME PERMIT NO. G-999

Note: These are only examples; not all possible variations are shown. When not in indicia, class or rate must be marked on mailpiece, directly below or to the left of the indicia.

Package Services Official Mail:



POSTAGE & FEES PAID AGENCY NAME PERMIT NO. G-999
--

MEDIA MAIL POSTAGE & FEES PAID AGENCY NAME PERMIT NO. G-999
--

PRSRT BOUND PRINTED MATTER POSTAGE & FEES PAID AGENCY NAME PERMIT NO. G-999



Note: These are only examples; not all possible variations are shown. When not in indicia, class or rate must be marked on mailpiece, directly below or to the left of the indicia.

First-Class Mail:

	FIRST-CLASS MAIL U.S. POSTAGE PAID \$0.37 PERMIT NO. 1	FIRST-CLASS MAIL U.S. POSTAGE PAID MAILED FROM ZIP CODE 10001 PERMIT NO. 1	FIRST-CLASS MAIL AUTO U.S. POSTAGE PAID NEW YORK, NY PERMIT NO. 1
	FIRST-CLASS MAIL U.S. POSTAGE PAID 1 OZ. PERMIT NO. 1	PRESORTED FIRST-CLASS MAIL U.S. POSTAGE PAID NEW YORK, NY PERMIT NO. 1	PRIORITY MAIL U.S. POSTAGE PAID WASHINGTON, DC PERMIT NO. 1

Note: These are only examples; not all possible variations are shown. When not in indicia, class or rate must be marked on mailpiece, directly below or to the left of the indicia.

Standard Mail:

	PRSRT STD ECRWSS U.S. POSTAGE PAID PERMIT NO. 1	PRESORTED STANDARD AUTOCR U.S. POSTAGE PAID JOHN DOE COMPANY	PRSRT STD AUTO U.S. POSTAGE PAID NEW YORK, NY PERMIT NO. 1
(Presorted rate)			
	NONPROFIT ORG. U.S. POSTAGE PAID PERMIT NO. 1	NONPROFIT ORGANIZATION AUTOCR U.S. POSTAGE PAID WASHINGTON, DC PERMIT NO. 1	NONPROFIT U.S. POSTAGE PAID HAPPY HEART SOCIETY

(Nonprofit-authorized organizations)

U.S. POSTAGE PAID JOHN DOE COMPANY	PRESORTED STANDARD	U.S. POSTAGE PAID NEW YORK, NY PERMIT NO. 1 ZIP CODE 10001
---	---------------------------	--

PRESORTED STANDARD

(Class omitted from indicia - see note below)

Note: These are only examples; not all possible variations are shown. When not in indicia, class or rate must be marked on mailpiece, directly below or to the left of the indicia.

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Package Services

Parcel Post/Parcel Select:

PARCEL POST
U.S. POSTAGE PAID
NEW YORK, NY
PERMIT NO. 1

PARCEL SELECT
U.S. POSTAGE PAID
NEW YORK, NY
PERMIT NO. 1

Bound Printed Matter:

BOUND PRINTED MATTER
CAR-RT SORT
U.S. POSTAGE PAID
NEW YORK, NY
PERMIT NO. 1

PRESORTED BOUND
PRINTED MATTER
U.S. POSTAGE PAID
NEW YORK, NY
PERMIT NO. 1

Media Mail:

PRESORTED
MEDIA MAIL
U.S. POSTAGE PAID
NEW YORK, NY
PERMIT NO. 1

Library Mail:

LIBRARY MAIL
U.S. POSTAGE PAID
NEW YORK, NY
PERMIT NO. 1

[Exhibit P040.4.1a and Exhibit P040.4.1b]

6.3.11 Optional Indicia Format

Permit imprint indicia may be prepared in a format other than the basic format described in [6.3.10](#), subject to these conditions:

- a. The rule that forms a box around the content of the indicia may be omitted if the content remains as specified in [6.3.6](#) through [6.3.9](#) and [Exhibit 6.3.10](#).
- b. Unless printed directly on an address label, the indicia content must be placed within a clear area no smaller than 1/2 inch high and 1/2 inch wide, no more than 1-1/2 inches below or left from the upper right corner of the mailpiece or of the address area when oriented to read the address, regardless of processing category or postage rate claimed. If printed on an address label

(including paper, adhesive, and multilayer sandwich labels), the space allowed for the indicia content must be rectangular, large enough to ensure legibility of that content from a normal reading distance and to separate it from other information on the label, and located in the upper right corner of the label when oriented to read the address.

- c. No printing appears in the indicia other than that required or allowed under [6.3.6](#) through [6.3.9](#).
- d. Except as required to enclose the permit information, no printing appears above or to the right of the permit information when the indicia is printed directly on the mailpiece or within the address area or on the address label.
- e. Except for indicia printed on address labels, the permit information is printed in no smaller than 4-point type. In indicia printed on address labels under [6.3.11b](#), the permit information must be legible.
- f. Except as required to enclose the permit information, decorative designs intended to be part of the indicia design must appear below or to the left of the permit information in an area extending no farther than 4-1/2 inches to the left of the right edge, and 1-1/2 inches below the top edge of the mailpiece, address area, or address label, as applicable. Such designs must not resemble or imitate a postage meter imprint, postage stamp, postcard postage, or other postage payment method; and they must not include words, symbols, or designs used by the USPS to identify a class of mail, rate of postage, or level of service, *unless* such elements are correctly used under the applicable standards for the mailpiece on which they appear and the corresponding postage and fees have been paid.
- g. All other applicable standards in [6.0](#) are met. [P040.4.2]

6.3.12 Indicia and Marking for Mailgrams

Western Union Mailgram messages are enclosed in window envelopes that bear the Mailgram imprint in the upper right corner of the address side. The envelopes also have a blue background with the registered trademark “Western Union Mailgram” and the USPS emblem to the right. [P040.6.1]

6.3.13 Postal Charges for Mailgrams

Postal charges for Western Union Mailgram messages are paid at USPS Headquarters by Western Union. Postage for delivery of Western Union Mailgram message envelopes is not paid or collected at local post offices. [P040.6.2]

7.0 Payment of Postage

7.1 Basic Standards

The mailer is responsible for proper payment of postage. Postage on all mail must be fully prepaid at the time of mailing, except as specifically provided by standard for:

- a. Business reply mail (see [507.8.0](#)) and metered reply mail (see [4.9.4](#)) handled as business reply mail.

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- b. Merchandise return service (see [507.9.0](#)).
- c. Certain mail sent by members of the Armed Forces (see [703.4.0](#)).
- d. Certain matter by or for the blind or handicapped (see [703.5.0](#)).
- e. Official mail (see [703.6.0](#) and [703.7.0](#)).
- f. Keys and identification devices returned to owners (see [123.1.5](#) and [133.1.8](#)).
[P011.1.1]

7.2 Unpaid Mailable Matter for Private Delivery

If mailable matter without postage, intended for delivery by a private delivery company, is found in USPS collection boxes (or other receptacles for mail deposit), USPS facilities, or USPS mail processing operations, the company is contacted to pick up the matter by the close of the next workday. If the company does not pick up the matter, it is returned to the sender, postage due. If the sender cannot be identified or refuses the matter, it is treated as dead mail. [P011.1.4]

7.3 Payment for Postage Due Mail

Customers must pay in cash for postage-due mail before the mail is delivered. If postage-due collections equal about \$10 or more every 60 days, payment may be made by advance deposit of money in a postage due account. Postage on quantity mailings found in private mailboxes is subject to [9.1.1](#). Government agencies using penalty mail must pay postage due through an OMAS postage due account. Government agencies may no longer use penalty meter strips or penalty mail stamps to pay postage due. [P011.3.1]

7.4 Advance Deposit Account

Mailers may choose to establish an advance deposit account(s) from which postage, per piece charges, and other fees are deducted. For certain extra services, an advance deposit account is required. Mailers may use a single advance deposit account to pay postage due charges for more than one extra service (e.g., business reply mail, merchandise return service, and bulk parcel return service). [P011.3.3]

7.5 Annual Accounting Fee for Extra Services

Except for accounts used solely to pay postage due for shortpaid mail, address correction notices, and undeliverable-as-addressed pieces returned to sender (e.g., return service requested), mailers must pay a separate annual accounting fee for each extra service paid through an advance deposit account. This fee covers the administrative cost of maintaining the account and provides the mailer with the accounting of all charges deducted from that account. The accounting fee is charged once each 12-month period on the anniversary date of the initial accounting fee payment. The fee may be paid in advance only for the next year and only during the last 60 days of the current service period. The fee charged is that which is in effect on the date of payment. [P011.3.4]

8.0 Computing Postage

8.1 General Standards

8.1.1 Determining Single-Piece Weight for Retail and Discount Mail

To determine single-piece weight in any mailing at single-piece rates, in a bulk mailing at Parcel Post, Media Mail, or Library Mail rates, or in any bulk rate mailing of nonidentical-weight pieces, weigh each piece individually. To determine single-piece weight in any other bulk or presort rate mailing, weigh a sample group of at least 10 randomly selected pieces and divide the total sample weight by the number of pieces in the sample. Express all single-piece weights in decimal pounds rounded off to four decimal places. [P013.1.3]

8.1.2 Expression of Numerical Values

For these standards, express:

- a. Piece counts in whole numbers.
- b. Weights in decimal pounds (e.g., 1.1250 pounds) rounded as shown below.
- c. Postage in decimal dollars (e.g., \$0.1625) rounded as shown below.
- d. Intermediate postage figures on all permit imprint and Periodicals statements (rounded off) to four decimal places. On all postage affixed statements (rounded off) to three decimal places. An intermediate postage figure is defined as follows: For First-Class Mail, Standard Mail, and Package Services mailings, any figure on any line of a postage statement, with the exception of the "Total Postage" line, is an intermediate figure. For Periodicals mailings, any figure on any line of a Form 3541, with the exception of the "Total Outside-County Postage," "Total In-County Postage," and "Total Foreign Postage" lines is an intermediate figure.
- e. Total postage figures (rounded off) to two decimal places. A total postage figure is defined as follows: For First-Class Mail, Standard Mail, and Package Services mailings any figure on a "Total Postage" line. For Periodicals mailings, any figure on a "Total Outside-County Postage," "Total In-County Postage," and "Total Foreign Postage" line. [P013.1.2]

8.1.3 Rounding Numerical Values

For these standards:

- a. *Round off* requires increasing by 1 the last digit to be kept if the digit to its right, which is not to be kept, is 5 or greater. If that digit is 4 or less, the last digit kept is unchanged (e.g., 3.376 rounded off to two decimal places is 3.38, 3.374 is 3.37).
- b. *Round up* requires increasing by 1 the last digit to be kept if there are any digits to its right, regardless of significance (e.g., rounding up either 3.3701 or 3.379 to two decimal places yields 3.38). [P013.1.1]

604.9.1

9.0 Insufficient or Omitted Postage

9.1 Insufficient Postage

9.1.1 Definition

Mail of any class, including mail indicating extra services (except Express Mail, Registered Mail, and nonmachinable First-Class Mail), that is received at either the office of mailing or office of address without enough postage is marked to show the total (rounded off) deficiency of postage and fees. Individual such pieces (or quantities fewer than 10) are delivered to the addressee on payment of the charges marked on the mail. For quantity mailings of 10 or more pieces, the mailer is notified so that the postage charges may be adjusted before dispatch. [P011.1.5]

9.1.2 Undeliverable and Refused Mail

Mail with insufficient postage that is refused by the addressee or otherwise undeliverable is:

- a. Returned to the sender with the reason for nondelivery "Returned for Additional Postage" if First-Class Mail with a return address. *The sender may affix the additional postage, cross out the reason for nondelivery, and remail the piece.*
- b. Returned to the sender and delivered when the sender pays the total deficient postage and additional postage for forwarding or return if other than First-Class Mail and with a return address.
- c. Treated as dead mail if it has no return address. [P011.1.9]

9.1.3 Nonmachinable Mail

Shortpaid nonmachinable First-Class Mail is returned to the sender for additional postage. [P011.1.8]

9.1.4 Adding to Original Postage

Postage stamps or meter stamps originally affixed to insufficiently prepaid mail are accepted in payment of postage to the amount of their face value when the mail is again presented for mailing. [P011.1.10]

9.1.5 Damaged Postage

When the cancellation impression shows that a postage stamp (or stamps) was wholly or partly lost, the piece is handled as if correct postage had been paid for the class and weight of the piece absent any evidence to the contrary. [P011.3.2]

9.1.6 Registered Mail With Insufficient Postage

If shortpaid Registered Mail is found in ordinary mail, with only the First-Class rate of postage paid, the piece is delivered to the addressee as ordinary First-Class Mail. If the amount of postage and fees affixed indicates that the piece was intended to be registered, the piece is rated as postage due and forwarded to the addressee through the Registered Mail. If shortpaid Registered Mail is found in the Registered Mail, the piece is delivered without the collection of postage due. The additional postage is collected from the sender. [P011.1.7]

9.1.7 Express Mail With Insufficient Postage

An insufficiently prepaid Express Mail shipment is never endorsed “Postage Due,” and collection of deficient postage is never attempted from the addressee. For an Express Mail Next Day, Second Day, Military, or Same Day Airport Service item received at the office of mailing without sufficient adhesive or meter stamps, the mailer is contacted to correct the deficiency before dispatch. If postage is paid by an Express Mail corporate account or federal government “Postage and Fees Paid” indicia, and the mailer writes an incorrect postage and/or fees amount, the account is debited for the correct amount. For a Custom Designed Service item received at the office of mailing with an incorrect weight listed, and if postage is paid with adhesive or meter stamps, the mailer is contacted to correct the deficiency before dispatch. If postage is paid by an Express Mail corporate account or federal government “Postage and Fees Paid” indicia, the account is debited for the correct amount. [P011.1.6]

9.2 Omitted Postage**9.2.1 Handling Mail With Omitted Postage**

Matter of any class, including that for which extra services are indicated, received at either the office of mailing or office of address without postage, is endorsed “Returned for Postage” and is returned to the sender without an attempt at delivery. If a mail recipient attempts to return or forward the mail without paying additional postage when required, the mail is endorsed “Returned for Postage” and returned to the recipient. If no return address is shown, or the delivery and return addresses are identical, or the delivery and return addresses are different but for the same person or organization, the piece is treated as dead mail. [P011.1.2]

9.2.2 Handling Unpaid Metered Reply Mail

Metered reply mail on which the mailer failed to imprint a meter stamp is treated as business reply mail (BRM). Such mail is delivered on payment of postage and the applicable business reply per-piece charge for basic BRM. [P011.1.3]

9.3 Mailable Matter Without Postage in or on Mail Receptacles**9.3.1 Penalty**

Whoever knowingly and willfully deposits any mailable matter (such as statements of account, circulars, sale bills, or other like matter) on which no postage is paid, in any letterbox established, approved, or accepted by the Postmaster General for the receipt or delivery of mail matter on any route, with intent to avoid payment of lawful postage thereon, shall for each such offense be fined not more than \$300 (18 USC 1725). [P011.2.1]

9.3.2 Liability for Postage

Except for limited use by newspapers under [508.3.0](#), any mailable matter not bearing postage found in, upon, attached to, supported by, or hung from private mail receptacles described in [508.3.0](#) is subject to payment of the same postage if carried by mail. [P011.2.2]

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9.3.3 Full Distribution

If there is a distribution of identical pieces to all or substantially all addresses on a route, only a representative number of pieces is returned to the delivery unit. Postage is computed as described in 9.3.4. [P011.2.4]

9.3.4 Partial Distribution

If there is a distribution of pieces to some, but not all, addresses on a route, pieces are returned to the delivery unit for use in computing the postage due. First-Class Mail rates are applied to matter that would require First-Class Mail postage if mailed. For other matter, if the piece weighs less than 16 ounces, the applicable single-piece First-Class Mail or Priority Mail rate based on the weight of the piece is applied, or an applicable Package Services rate is applied, whichever is lower. If the piece weighs 16 ounces or more, the Package Services rate is applied. [P011.2.3]

9.3.5 Known Distributor

If there is reason to believe that a private delivery firm or an individual within the post office delivery area is responsible for the delivery, the local postmaster notifies that party of the number of pieces and the postage due. If, within 5 days after notice, the firm or individual agrees to pay the postage due, payment is accepted and the pieces are delivered to the addressees. The party paying the postage may choose to redeliver the pieces rather than have the USPS deliver them. If the pieces are found to have been removed from receptacles improperly, they are delivered without postage charge. [P011.2.5]

9.3.6 Unknown Distributor

If the party responsible for delivery is not known or if the firm requested fails to pay the postage, the pieces are returned to the publisher or manufacturer, postage due and endorsed to show they were found in or on the addressee's mailbox without postage. If a publisher or manufacturer gives the name and telephone number of a person to contact and guarantees postage payment, the pieces are redelivered to the addressees. If the publisher or manufacturer is unknown or refuses the pieces, the matter is treated as dead mail. [P011.2.6]

10.0 Refunds and Exchanges**10.1 Stamp Exchanges****10.1.1 USPS Fault**

The post office may correct mistakes in selling damaged, defective, or otherwise unserviceable stamps by exchanging stamps at full postage value. [P014.1.1]

10.1.2 Damaged in Customer's Possession

Stamps that are damaged or otherwise unusable for postage (because of humidity, moisture, or other causes) while in a customer's possession may be exchanged only for an equal number of stamps of the same denomination. Unusable stamps accepted from a customer under these conditions must be those on sale at post offices within 12 months before the transaction. Quantities of the same denomination over \$10 must be returned in the same configuration as when bought, i.e., sheets, coils, booklets. Each such transaction is limited to \$100 worth of postage from each customer. [P014.1.2]

10.1.3 Condition and Quantity

The stamps presented for exchange must be in substantially whole condition, with the denomination evident. If coils of stamps are partially stuck together and cannot be counted, the postmaster may accept the customer's estimate of the number of stamps left in the coil and give equal quantities in exchange. [P014.1.3]

10.1.4 Appeal

Any customer denied an exchange for damaged stamps may appeal the postmaster's decision to the Consumer Advocate, USPS Headquarters (see [608.8.0](#) for address). [P014.1.4]

10.1.5 Purchase Error

If a customer bought the wrong denomination stamps (or the wrong kind, size, or denomination envelope), they may be exchanged at full postage value. Only full panes of stamps, coils of stamps in the original sealed wrappers, full boxes of stamped envelopes, or original sealed packs of stamped cards may be exchanged. A customer exchanging \$250 or more of such stock must show proof of identity (e.g., a driver's license) and must present the stock for exchange to the postal unit from which his or her mail is delivered. [P014.1.5]

10.1.6 Exchange of Spoiled and Unused Postal Matter

Unusable and spoiled stamped envelopes or stamped cards, if uncanceled, and unused precanceled stamps and stamped cards, are exchanged for other postage-stamped paper. Only the buyer may exchange stamped envelopes or aerogrammes (airletter sheets) with a printed return address and stamped cards with any printed matter of the buyer. If there is no purchaser's printing, any responsible person may exchange them. These conditions apply:

- a. Stamped envelopes (mutilated no more than is necessary to remove contents): postage value plus value of postage added because of a rate increase or for additional service.
- b. Unmutilated aerogrammes (airletter sheets): postage value minus \$0.01 for each aerogramme redeemed.
- c. Unmutilated single and double stamped cards: 85% of postage value, plus full value of postage added because of a rate increase or for additional service. Either half of a double stamped card may be redeemed, if the double card is printed and cut for use as single cards. Unused double stamped cards printed for reply should not be separated but, if they are separated in error and the buyer presents both halves, the cards may be redeemed. Reply halves of double stamped cards returned to sender outside of the mail are not redeemable by the original buyer, even though the reply half received no postal service.
- d. Sheet stamped cards spoiled when cut to size: 85% of postage value plus full value of postage added because of a rate increase or for additional service, if all cut sections are submitted.
- e. Stamps affixed to commercial envelopes and postcards: 90% of postage value. Envelopes and postcards must be in substantially whole condition and in lots of at least 50 of the same denomination and value.

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- f. Unused precanceled stamps in full coils and in full sheets redeemed from precanceled permit holders: 90% of postage value. [P014.1.6]

10.1.7 Stamps Converted to Other Postage Forms

A customer may submit postage stamps for conversion to an advance deposit for permit imprint mailings, subject to these conditions:

- a. Only full panes of postage stamps (or coils of stamps in the original sealed wrappers) are accepted for conversion. Accepted stamps include commemorative stamps issued no more than 1 year before the requested conversion date or regular stamp issues not officially withdrawn from sale.
- b. A request for stamp conversions must be made in writing to the district manager of Customer Service and Sales in the district where the customer's post office is located. The customer's request must include:
 - c. Name, denomination, quantity, and value of stamps for which conversion is requested.
 - d. Name of the post office where the stamps were bought.
 - e. Evidence of purchase of the stamps.
- f. The amount of postage applied to a permit imprint advance deposit account through conversion is the full face value of the stamps.
- g. The district manager may ask the customer to submit additional records to support the information in the request. After reviewing the documentation, the district manager approves or denies the request. The customer is notified when the conversion is approved. The postmaster is advised of the procedures for accepting the stamps and making the required accounting entries.
- h. No part of any amount applied to a permit imprint advance deposit account from the conversion of postage stamps is refundable in cash or by any other means. [P014.1.7]

10.1.8 Not Exchangeable

The following postage items are not exchangeable:

- a. Adhesive stamps, unless mistakes were made in buying, stamps were defective, stamps were affixed to commercial envelopes and postcards, or under [10.1.7](#).
- b. Stamps cut from stamped cards, stamped envelopes, or aerogrammes (airletter sheets).
- c. Parts and pieces of stamped cards.
- d. Stamped cards, stamped envelopes, and aerogrammes received for reply.
- e. Mutilated and defaced stamps. [P014.1.8]

10.2 Postage and Fee Refunds

10.2.1 Refund Standards for Postage and Fees

A refund for postage and fees may be made:

- a. Under the standards below if postage and special or retail service fees are paid and no service is rendered, or if the amount collected was more than the lawful rate.
- b. Under 10.3 for refund requests for postage evidencing systems and metered postage. Metered postage is printed by a postage evidencing system (4.0). Refunds may be requested for unused indicia, unused postage value remaining in a postage evidencing system, and the unused balance in a postage payment account.
- c. Under 10.4 for refund requests for postage made at the time of mailing.
- d. Under 2.0 for rejected personalized envelopes.
- e. Under the terms of a contract between the contract postal unit (CPU) and the USPS for unused postage printed by the CPU. [P014.2.1]

10.2.2 Ineligible Matter

The USPS is presumed at fault and no service is rendered in cases involving returned articles improperly accepted in either domestic or international service because of excess size or weight. Any mailer who customarily weighs and rates mail is expected to be familiar with basic standards. The USPS is not at fault if the mailer is required to withdraw articles from the mail before dispatch. [P014.2.2]

10.2.3 Torn or Defaced Mail

If First-Class Mail or Package Services is torn or defaced during USPS handling so that the addressee or intended delivery point cannot be identified, the sender may receive a postage refund. This applies only when the failure to process and/or deliver is the fault of the USPS. Where possible, the damaged item is returned with the postage refund. [P014.2.3]

10.2.4 Full Refund

A full refund (100%) may be made when:

- a. The USPS is at fault.
- b. Postage or fees are paid in excess of the lawful rate.
- c. Service to the country of destination is suspended.
- d. Postage is fire-scarred while in USPS custody (including in the letterbox), and the mail is returned to sender without service.
- e. Special delivery stamps are mistakenly used to pay postage, and the mail is returned to the sender without service.
- f. Fees are paid for special handling, Certified Mail, Delivery Confirmation, or Signature Confirmation and the article fails to receive the extra service for which the fee is paid.

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- g. Surcharges are mistakenly collected on domestic Registered Mail or collected over the proper amount, or represented by stamps affixed to matter not actually accepted for registration.
- h. Fees are paid for return receipt or for restricted delivery, and the USPS (through fault or negligence) fails to furnish the return receipt or its equivalent, or makes erroneous delivery or nondelivery.
- i. An annual presort mailing fee is paid for Presorted First-Class Mail, Standard Mail, Presorted Media Mail, or Presorted Library Mail or a destination entry mailing fee is paid for Parcel Select or Bound Printed Matter and no mailings are made during the corresponding 12-month period.
- j. Customs clearance and delivery fees are erroneously collected.
- k. Fees are paid for registry or insurance service on mail addressed to a country to which such services are not available, unless claim for indemnity is made.
- l. Express Mail is not delivered according to the applicable service standard. No refund is made if the mail was properly detained for law enforcement purposes (see *Administrative Support Manual* 274). [P014.2.4]

10.2.5 Intercepted Mail

When mail is returned at the sender's request or for a reason not the fault of the USPS, any difference between the amount paid and the appropriate surface rate chargeable from mailing office to interception point and return is refunded.

[P014.2.5]

10.2.6 Unallowable Refunds

The limits on refunds are not intended to prohibit payments for unused adhesive stamps and adhesive stamps affixed to unmailed matter in connection with an authorized marketing program. Refunds are not made for the following:

- a. An application fee to use permit imprints.
- b. Collect on delivery (COD), Express Mail insurance, insured, and registered fees after the USPS accepts the article, even if the article is later withdrawn from the mail.
- c. Unused adhesive stamps (may be exchanged under [10.1.1](#) through [10.1.5](#) in *Stamp Exchanges*).
- d. Adhesive stamps affixed to unmailed matter. [P014.2.6]

10.2.7 Applying for Refund

For refunds under [10.2](#), the customer must apply for a refund on Form 3533; submit it to the postmaster; and provide the envelope, wrapper, or a part of it showing the names and addresses of the sender and addressee, canceled postage and postal markings, or other evidence of postage and fees paid. Refunds for metered postage are submitted under [10.3](#).

[P014.2.7]

10.2.8 Ruling on Refund Request

Refund requests are decided based on the specific type of postage or mailing:

- a. Refunds under 10.2. The local postmaster grants or denies refunds under 10.2. The customer may appeal an adverse ruling through the postmaster to the Pricing and Classification Service Center (PCSC) manager who issues the final agency decision.
- b. Dated metered postage, except for PC Postage systems, under 10.3. The postmaster at the licensing post office grants or denies requests for refunds for dated metered postage under 10.3. The licensee may appeal an adverse ruling within 30 days through the manager, Postage Technology Management, USPS Headquarters (see 608.8.0 for address), who issues the final agency decision. The original meter indicia must be submitted with the appeal.
- c. Undated metered postage under 10.3. The manager, business mail entry at the district post office overseeing the mailer's licensing post office, or designee authorized in writing, grants or denies requests for refunds for undated metered postage under 10.3. The customer may appeal a decision on undated metered postage within 30 days through the manager, business mail entry, or designee, to the PCSC manager who issues the final agency decision. The original meter indicia must be submitted with the appeal.
- d. PC Postage systems under 10.3. The system provider grants or denies a request for a refund for dated indicia printed by PC Postage systems under 10.3 using established USPS criteria. For dated PC Postage indicia only, the licensee may appeal an adverse ruling within 30 days through the manager, Postage Technology Management, USPS Headquarters, who issues the final agency decision. The original indicia must be submitted with the appeal.
- e. Optional procedure (OP) mailings. Mailer's request for a refund must be submitted to the manager, Business Mailer Support, USPS Headquarters (see 608.8.0 for address). [P014.2.8]

10.2.9 Semipostal Stamps

Customers may exchange or convert semipostal stamps for their postage value (i.e., the price of the stamps less the contribution amount) to the extent exchange or conversion of postage stamps is permitted under 10.0. The postage the customer exchanges or converts is equal to the First-Class Mail single-piece rate in effect at the time of exchange. However, if the customer provides a receipt showing the date of purchase, the postage exchanged or converted is equal to the First-Class Mail single-piece rate in effect at the time of purchase. The contribution amount is not refundable and is not included in the exchange or conversion value. [P014.2.9]

10.2.10 Business Reply Mail

A business reply mail (BRM) permit holder may request a credit or refund for postage affixed to returned BRM pieces. Only the value of the postage affixed may be credited or refunded. Refunds are not given for foreign postage affixed to BRM. To receive a refund for postage affixed to returned BRM pieces, the permit holder must submit a completed Form 3533 to the postmaster, documenting the excess postage payment for which a credit or refund is desired. The permit holder also must present to the designated office properly faced and banded bundles of 100 identical

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BRM pieces with identical amounts of postage affixed. A charge of \$35 per hour, or fraction thereof, is assessed for the workhours used to process the refund. With permission from the postmaster, a BRM permit holder may submit a bundle with fewer than 100 BRM pieces. Refunds are not given for any BRM or QBRM per piece charges, annual accounting fees, quarterly fees, or monthly maintenance fees.

[P014.2.10]

10.3 Refund Request for Postage Evidencing Systems and Metered Postage

10.3.1 Unused Postage Value in Postage Evidencing Systems

The unused postage value remaining in a postage evidencing system when withdrawn from service may be refunded, depending upon the circumstance and the ability of the USPS to make a responsible determination of the actual or approximate amount of the unused postage value. If the postage evidencing system is withdrawn because of faulty operation, a final postage adjustment or refund will be withheld pending the system provider's report of the cause to the USPS and the USPS determination of whether or not a refund is appropriate and, if so, the amount of the refund. No refund is given for faulty operation caused by the licensee. When a postage evidencing system that is damaged by fire, flood, or similar disaster is returned to the provider, postage may be refunded or transferred when the registers are legible and accurate, or the register values can be reconstructed by the provider based on adequate supporting documentation. When the damaged system is not available for return, postage may be refunded or transferred only if the provider can accurately determine the remaining postage value based on adequate supporting documentation. The licensee may be required to provide a statement on the cause of the damage and to attest that there has not been reimbursement by insurance, or otherwise, and that the licensee will not seek such reimbursement. Refunds for unused postage value are granted as specified in 4.0 in accordance with the following procedures:

- a. All postage evidencing systems except for PC Postage systems. The postage evidencing system must be examined to verify the amount before any remaining funds are cleared from the meter, and a refund or credit is initiated for unused postage value or additional money is collected to pay for postage value used, based on what is found. Licensees may also submit their own transaction records, if any, or a system-generated register as supporting documentation.
- b. PC Postage systems. The licensee must notify the provider to withdraw the system. To determine the remaining postage value on the PC Postage system, the licensee generates a refund request indicium for transmittal to the provider for verification. A refund can be issued only when the system's postal security device (PSD) is in the provider's possession. The USPS refunds the entire unused postage value remaining on the PSD for the user's system, but the refund is issued through the licensee's provider. [P014.3.1]

10.3.2 Unused, Dated Postage Evidencing System Indicia, Except PC Postage Indicia

Unused, dated postage meter indicia are considered for refund only if complete, legible, and valid. PC Postage indicia refunds are processed under 10.3.3. All other metered postage refund requests must be submitted as follows:

- a. The licensee must submit the request. The refund request must include proof that the person or entity requesting the refund is the licensee for the postage meter that printed the indicia. Acceptable proof includes a copy of the lease, rental agreement, or contract.
- b. The licensee must submit the request, along with the items bearing the unused postage, to the licensing post office. The items must be sorted by meter used and then by postage value shown in the indicia, and must be properly faced and bundled in groups of 100 identical items when quantities allow. The request is processed by the USPS. The postmaster approves or denies the refund request.
- c. The licensee must submit the refund request within 60 days of the date(s) shown in the indicia.
- d. When the unused metered postage is affixed to a mailpiece, the refund request must be submitted with the entire envelope or wrapper. The unused metered postage must not be removed from the mailpiece once applied.
- e. Indicia printed on labels or tapes not stuck to wrappers or envelopes must be submitted loose and must not be stapled together or attached to any paper or other medium. However, self-adhesive labels printed without a backing may be submitted on a plain sheet of paper.
- f. If a part of one indicium is printed on one envelope or card and the remaining part on one or more, the envelopes or cards must be fastened together to show that they represent one indicium.
- g. Refunds are allowable for indicia on metered reply envelopes only when it is obvious that an incorrect amount of postage was printed on them.
- h. The refund request must be submitted with Form 3533. A separate Form 3533 must be completed for each meter for which a refund is requested. All identifying information and all sections related to the refund requested must be completed. Charges for processing a refund request for unused, dated meter indicia are as follows:
 1. If the total face value of the indicia is \$350 or less, the amount refunded is 90% of the face value. USPS may process the refund payment locally via a no-fee postal money order.
 2. If the total face value is more than \$350, the amount refunded is reduced by a figure representing \$35 per hour, or fraction thereof, for the actual hours to process the refund, with a minimum charge of \$35. The postmaster will submit the approved Form 3533 to the USPS Imaging and Scanning Center for payment processing through the Accounting Service Center. [P014.3.2]

10.3.3 Unused, Dated PC Postage Indicia

Unused, dated PC Postage indicia are considered for refund only if complete, legible, and valid. The refund request must be submitted as follows:

- a. Only the PC Postage licensee may request the refund. The licensee must submit the request, along with the items bearing the unused postage, to the system provider. The request is processed by the provider, not the USPS.

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- b. The licensee must submit the refund request within 30 days of the date(s) shown in the indicia.
- c. The refund request must be submitted as required in [10.3.2d.](#) through [10.3.2g.](#)
- d. The provider may, at its discretion, charge for processing a refund request.
[P014.3.3]

10.3.4 Undated Metered Postage

Unused, undated postage evidencing system indicia are considered for refund only if complete, legible, and valid. The refund request must be submitted as follows:

- a. Only the meter licensee or the commercial entity that prepared the mailing for the licensee using the licensee's meter may request the refund. The request must include a letter signed by the meter licensee or the commercial entity that prepared the mailing for the licensee explaining why the mailpieces were not mailed.
- b. The minimum quantity of unused, undated metered postage that may be submitted for refund is 500 pieces from a single mailing or, as an alternative, indicia with a total postage value of at least \$500 from a single mailing.
- c. The meter licensee, or the commercial entity that prepared the mailing for the licensee using the licensee's meter, must submit the request, along with the items bearing the unused postage and the required documentation, to the manager, business mail entry at the district post office overseeing the mailer's licensing post office, or to a designee authorized in writing. The manager or designee approves or denies the refund request.
- d. The request must include the items bearing the unused postage, sorted by meter used and then by postage value shown in the indicia. The items must be properly faced and bundled in groups of 100 identical items, when quantities allow, and must meet the requirements of [10.3.2d.](#) through [10.3.2g.](#)
- e. The request must be submitted within 60 days of the date the mail was metered. Supporting documentation must be submitted to validate the date. Examples of supporting documentation include the job order from the customer, production records, the USPS qualification report, spoilage report, and reorders created report, as well as customer billing records, postage statements, and a sample mailpiece.
- f. The refund request must be submitted with Form 3533. All identifying information and all sections related to the refund requested must be completed. When more than one meter was used to prepare the mailing, a separate Form 3533 must be completed for each.
 - 1. If the total face value of the indicia for a single mailing submitted for refund is \$350 or less, the amount refunded is 90% of the face value. USPS may process the refund payment locally via a no-fee postal money order.
 - 2. If the total face value of the indicia for a single mailing submitted for refund is more than \$350, the amount refunded is reduced by a figure representing \$35 per hour, or fraction thereof, for the actual hours to process the refund, with a minimum charge of \$35. The manager,

business mail entry will submit the approved Form 3533 to the USPS Imaging and Scanning Center for payment processing through the Accounting Service Center. [P014.3.4]

10.3.5 Ineligible Metered Postage Items

The following metered postage items are ineligible for refunds:

- a. Reply envelopes or cards paid at the proper postage rate.
- b. Indicia printed on labels or tape removed from wrappers or envelopes.
- c. Loose indicia printed on labels or tape that have been stapled together or attached to paper or other medium in any manner.
- d. Indicia lacking identification of the licensing post office or other required information.
- e. Indicia printed on mail dispatched and returned to sender as undeliverable as addressed, including mail marked “no such post office” and mail addressed for local delivery and returned after directory service was given or delivery was attempted. [P014.3.5]

10.3.6 Refunds for Metered Postage

Refunds for indicia amounts already printed on an envelope or label but not mailed are made in accordance with 10.3. [P030.8.2]

10.3.7 Rounding Numerical Values [Rounding]

Any fraction of a cent in the total to be refunded is rounded down to the whole cent (e.g., \$4.187 is rounded to \$4.18). [P014.3.6]

10.4 Value Added Refunds

10.4.1 Definition of Value Added Refund

Subject to the standards in 10.4, a *presenter* (i.e., the mailer or other party, such as a presort service bureau), who prepares letter-size First-Class Mail or Standard Mail under 10.4.12 and 10.4.13 for their customers and presents it to the USPS in their behalf, may request a *value added refund* (VAR) for postage affixed to mail in excess of the rate applicable to that mail when presented to the USPS. A presenter must be authorized by the USPS to seek the refund. Any refund is issued to the presenter, and the disposition of any such refund is a private matter between the presenter and the presenter’s customer. [P014.4.1]

10.4.2 Application

The presenter must make a written application to the postmaster serving each location where VAR mailings are to be deposited, verified, and paid. The application must describe the presenter’s mail preparation system and the documentation that it can produce. The application must also show that the presenter can produce the postage statements and the refund documentation required by 10.4.17. The postmaster forwards the application and supporting documentation for approval to the Business Mailer Support manager, USPS Headquarters. [P014.4.2]

10.4.3 Mailer System

Eligibility to submit requests for VARs requires that the presenter process and document mail through a fully automated mail sorting system. The system must include barcoding equipment (e.g., multiline optical character readers) to read the address information and determine the correct ZIP+4 code; an ink jet or laser printer to apply the correct POSTNET barcode in the required location; and a barcode reader (BCR) to read the POSTNET barcode, verify it for accuracy, and sort the mailpiece to the correct location. [P014.4.3]

10.4.4 Presenter Agreement

In applying for authorization to make VARs, the presenter agrees:

- a. That verification samples taken by the USPS represent the entire mailing and are to be used to adjust the total refund amount requested.
- b. To provide the USPS with advance written notice of plans for system changes that affect the calculation of postage, amount of refund, generation of required documentation, or mail presorting.
- c. To cooperate with the USPS during mail verification or system audits, and to process sampled mail through barcode readers (BCRs) when requested.

[P014.4.4]

10.4.5 Authorization

If the application is approved, an authorization to make refund requests is valid for a period not to exceed 2 years, subject to renewal after USPS review. [P014.4.5]

10.4.6 Appeal

If the application is denied, the presenter may file a written appeal within 15 days through Business Mailer Support, USPS Headquarters, to the Business Mail Acceptance manager, who issues the final agency decision. [P014.4.6]

10.4.7 Suspension

The Business Mailer Support manager may suspend an authorization after determining that the presenter does not meet the standards in 10.4. [P014.4.7]

10.4.8 Cancellation

The Business Mailer Support manager may cancel an authorization for any of these reasons:

- a. The presenter consistently provides incorrect information and is unwilling or unable to correct the problem.
- b. The presenter continually fails to meet the standards in 10.4.
- c. No mailings are made under these procedures during any 12 consecutive months. [P014.4.8]

10.4.9 Appeal of Cancellation or Suspension

A cancellation or suspension takes effect 15 days from the presenter's receipt of the notice unless, during that time, the presenter files a written appeal with the Business Mailer Support manager, USPS Headquarters, stating why the authorization should not be canceled or suspended. If the manager upholds the action, the appeal is

forwarded to the Business Mail Acceptance manager, USPS Headquarters, who issues the final agency decision. A final cancellation takes effect 15 days after receipt by the presenter. [P014.4.9]

10.4.10 Form 8096 Required

The presenter must provide the USPS with an original Form 8096 completed and signed by each of the presenter's customers who meter any pieces in the mailing for which a VAR is requested, and a list of those customers. If postage is affixed to the pieces using a postage evidencing system by an intermediate agent (not the presenter of the mailing) for the owner of the pieces, a signed Form 8096 must be on file from the agent whose postage evidencing systems were used to affix the postage. Refund requests are denied if all required Forms 8096 are not provided. [P014.4.10]

10.4.11 Form 8096 Not Required

Form 8096 is not required for a customer whose mail is metered by the presenter with the presenter's own postage evidencing system. In such cases, the presenter must provide the post office where it submits refund requests with a list, in ascending numeric order, of its own postage evidencing system serial numbers and those of any intermediate agent used for affixing postage to the pieces included in the mailing. [P014.4.11]

10.4.12 First-Class Mail

If a VAR request is submitted when a First-Class Mail mailing is presented to the USPS, each piece in the mailing must be:

- a. Letter-size and weigh less than the applicable maximum weight for automation rate mail as required in [201.3.3](#).
- b. Part of an automation rate mailing prepared by the presenter.
- c. Metered by the presenter or the presenter's customer at the Presorted First-Class or automation rates applicable to a piece of that weight, including the full postage for the second and third ounces, if applicable. [P014.4.12]

10.4.13 Standard Mail

If a VAR request is submitted when a Standard Mail mailing is presented to the USPS, each piece in the mailing must be:

- a. Letter-size and weigh less than the applicable maximum weight for automation rate mail as required in [201.3.4](#).
- b. Part of an automation rate mailing prepared by the presenter.
- c. Metered by the presenter or the presenter's customer at a nonautomation rate or at any automation minimum per piece rate. Pieces for each entry must be prepared as a separate mailing if the destination entry rates are claimed.

[P014.4.13]

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10.4.14 Criteria for Mailing

A mailing for which a VAR request is submitted must meet these criteria:

- a. The presenter must process the mail for each customer so that the rate of postage affixed on each piece can be documented by customer, unless otherwise authorized by Business Mailer Support, USPS Headquarters, and rate category.
- b. Documentation must be kept showing internal quality control procedures done for each mailing submitted for which a VAR is claimed.
- c. Mail must be prepared by the standards corresponding to the First-Class Mail or Standard Mail rate claimed.
- d. The presenter must be authorized by Business Mailer Support to submit Standard Mail mailings that contain both Regular and Nonprofit rate pieces under the applicable standards.
- e. Each piece in the mailing for which barcodes are applied by an MLOCR must bear an automation marking that also describes the method of postage payment and the rate of postage affixed for metered and precanceled stamp mail or other postage information for permit imprint mail as described in [705.5.0, First-Class or Standard Mail Mailings With Different Payment Methods](#). [P014.4.14]

10.4.15 Postage Statement

The presenter must provide a complete and accurate postage statement with each mailing annotated to show the presort option used to prepare that mailing, and reporting postage data based on the rate category for which each piece qualifies when presented to the USPS. [P014.4.15]

10.4.16 Applying for Refund

To request a VAR, Form 3533 and supporting documentation as described below must be provided with the corresponding mailing at the time of mailing. After the time of mailing, refund applications are not considered. The entry office postmaster pays refunds weekly or on another schedule agreed to with the mailer. [P014.4.16]

10.4.17 Documentation for Mailing

Mailers are required to submit or generate the following reports:

- a. Each mailing must be accompanied by all of the following documentation to enable the VAR request and the specific and efficient USPS verification of that request:
 1. Form 3533, if a net VAR refund is due.
 2. The applicable postage statement.
 3. The USPS qualification report in standardized format detailing by ZIP Code the number of pieces qualifying for each rate by presort level. If plant-verified drop shipment (PVDS) is used for Standard Mail, a separate USPS qualification report must be generated for each entry destination.
 4. The USPS Summary ZIP Destination report in one of two standardized formats that lists by tray destination and rate category: each mail category, postage payment type, weight and rate affixed (report all postage affixed

First-Class Mail pieces as weighing one ounce); number of pieces; dollar amount of postage affixed to those pieces; cumulative postage affixed; total postage; net postage due; cumulative postage due; and a running total of the number of pieces. If plant-verified drop shipment (PVDS) is used for Standard Mail, a separate USPS Summary ZIP Destination report must be generated for each entry destination. This report is not required if there is only one metered rate in the mailing. Business Mailer Support, USPS Headquarters, may authorize submission of only portions of this report.

5. The USPS Postage Summary in a standardized format. This report shows, by type of payment method, the total postage claimed for all pieces in the mailing by rate level and the total postage affixed by rate level. It also shows a grand total summary of postage affixed, postage claimed, and total postage due. If plant-verified drop shipment (PVDS) is used for Standard Mail, a separate USPS Postage Summary report must be generated for each entry destination.
 6. Other documentation that may be required by other standards for the rate claimed.
- b. The USPS Customer Mail Report must be generated for each mailing, but is required to be submitted to the USPS only when requested by USPS personnel for the resolution of errors (shortpaid and potential MLOCR profiling) detected in a specific mailing. The Customer Mail Report must list each customer by name and provide the following information about their mail: rate affixed, mail category including postage payment type, weight, total postage, postage affixed, number of pieces, cumulative number of pieces, number of pieces rejected, and total pieces fed. [P014.4.17]

10.5 Express Mail Postage Refund

10.5.1 Who May Apply

A claim for a refund for Express Mail postage may be made only by the mailer (the sender of an Express Mail item or the holder of the Express Mail Corporate Account used to pay for postage). [P014.5.1]

10.5.2 Conditions for Refund

A refund request must be made within 90 days after the date of mailing as shown in the "Date In" box on Label 11. Except as provided in [114.3.1](#), a mailer may file for a postage refund only under one of the following circumstances:

- a. The item was not delivered or made available for claim as guaranteed under the applicable service purchased.
- b. The item was not delivered or made available for claim by the guaranteed delivery time applicable to the service purchased, and delivery was not attempted by the guaranteed delivery time applicable to the service purchased. [P014.5.2]

10.5.3 Refunds Not Given

A refund claim will not be given if the guaranteed service was not provided due to any of the circumstances in [114.3.1](#). [P014.5.3]

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10.5.4 How to Apply for a Refund

The mailer must complete Part I of Form 3533 in duplicate and submit it, along with the original customer copy of Label 11, to any post office. [P014.5.4]

10.5.5 Immediate Refund

If the USPS can determine immediately that the mailer is entitled to a refund and the Express Mail item had postage affixed, then the USPS refunds the postage immediately in cash or with a no-fee money order. [P014.5.5]

10.5.6 Deferred Refund

If the USPS cannot determine immediately that the mailer is entitled to a refund, then the USPS researches the application and, if appropriate, issues a refund to the mailer within 5 business days. [P014.5.6]

10.5.7 Refunds Through a Corporate or Agency Account

If the USPS determines that the mailer is entitled to a refund and postage was paid through an Express Mail Corporate Account or a federal government agency account, then the USPS refunds the postage by issuing a credit to that account within 5 business days. [P014.5.7]

11.0 Revenue Deficiency**11.1 General****11.1.1 Definition of Revenue Deficiency**

Revenue deficiency means a shortage or underpayment of postage or fees. Revenue deficiencies are generally assessed by the postmaster or manager, Business Mail Entry, who issues a written notification to the customer citing the amount of the deficiency and the circumstances. [P011.4.1]

11.1.2 Appeal of Ruling

Except as provided under [11.2](#) and [703.1.0, Nonprofit Standard Mail](#), a mailer may appeal a revenue deficiency assessment by sending a written appeal within 30 days of receipt of the notification to the appropriate postmaster or manager in [11.1.2a.](#) through [11.1.2c.](#) In all cases, the mailer may be asked to give more information or documentation to support the appeal. Failure to do so within 30 days of the request is grounds for denying an appeal. Any decision that is not appealed as prescribed becomes the final agency decision. Mailers may send appeals as follows:

- a. To the district manager, Finance, for revenue deficiencies for fees. The district manager, Finance, issues the final USPS decision.
- b. To the postmaster or manager, Business Mail Entry, for revenue deficiencies for postage. The postmaster or manager, Business Mail Entry, forwards the appeal to the PCSC. If the appeal concerns a ruling that mail, due to its contents, must be entered at First-Class Mail rather than Standard Mail rates, the PCSC will forward the appeal to the manager, Mailing Standards, USPS Headquarters who will issue the final agency decision. The PCSC will issue the final agency decision on all other appeals.

- c. To the manager, Mailing Standards (see [608.8.0](#) for address), if the PCSC manager first assessed the deficiency. The manager, Mailing Standards issues the final agency decision. [P011.4.2]

11.2 Nonprofit Standard Mail

11.2.1 Assessment and 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 the Nonprofit Standard Mail rates in violation of [703.1.0](#). Nonprofit mailers have two levels of appeal. They may appeal revenue deficiency assessments as follows:

IF THE INITIAL REVENUE DEFICIENCY ASSESSMENT WAS MADE BY:	FIRST-LEVEL APPEAL	SECOND-LEVEL APPEAL AND FINAL USPS DECISION
Postmaster or manager, Business Mail Entry	PCSC	Manager of Mailing Standards
PCSC	Manager of Mailing Standards (see 608.8.0 for address)	Vice President, Pricing and Classification (see 608.8.0 for address)

All appeals must be submitted in writing within 30 days of the previous USPS decision. Any decision that is not appealed as prescribed becomes the final agency decision; no appeals are available within the USPS beyond the second appeal. [P011.5.1]

11.2.2 Collection

Any deficiency assessed under [11.2.1](#) that is found to be due and payable to the USPS in the final USPS decision must be paid promptly. If the USPS does not receive payment within 30 days, the USPS may deduct from the violator’s trust account or any other funds in USPS possession any deficiencies incurred within 12 months of the date of the final mailing on which the deficiency was assessed. [P011.5.2]

