



E000 Special Eligibility Standards

E060 Official Mail (Penalty)

060

Summary E060 describes the standards for the use of penalty mail for mail related to U.S. government business. It includes the standards for using penalty indicia, penalty metered mail, penalty permit imprint, penalty postage stamps and stationery, penalty reply mail, and penalty merchandise return service.

1.0 DEFINITIONS

The term *penalty mail* refers to official mail, sent by U.S. government agencies, relating solely to the business of the U.S. government, that is authorized by law to be carried in the mail without prepayment of postage. For this standard, *agencies* are departments, agencies, corporations, establishments, commissions, committees, and all officers and authorities of the U.S. government authorized to use penalty mail.

2.0 POSTAGE AND FEES

Reimbursement Agencies must reimburse the USPS the equivalent amount of postage and fees due for the penalty mail service they receive, following instructions from the USPS. The USPS requires agencies to use penalty postage meters (postage evidencing systems) or other forms of direct accountability for penalty mail services to ensure proper reimbursement through the Official Mail Accounting System (OMAS).

Prepayment An agency may also prepay postage by any method available to private-sector mailers. This prepaid mail is not considered penalty mail.

3.0 ELIGIBILITY

Matter Sent as Penalty Mail Only matter relating solely to the business of the U.S. government may be sent without prepayment of postage as penalty mail when mailed by officers of the executive and judicial branches of the government, the Legislative Counsel for the House of Representatives and the Senate, the Superintendent of Documents, and the Joint Committee on Printing when it mails correspondence on the Congressional Directory. Generally, the USPS holds that the agency determines which matter relates solely to its own business. Cases of questionable use must be referred to the agency.

USDA Special conditions that apply to the U.S. Department of Agriculture (USDA) include:

- a. All correspondence, bulletins, and reports about agriculture extension work and home economics carried on in cooperation with the USDA may be sent as penalty mail when mailed by the college officer or other person connected with the extension department of the college and designated by the Secretary of Agriculture. The designated officer may deposit mailings only at the post office authorized by the PCSC. Correspondence must be conducted under the designated officer's name. Correspondence with an autograph signature may be sealed. All other matter must be unsealed.



- b. All correspondence, bulletins, and other matter promoting cooperative extension work as a federal enterprise or relating exclusively to the business of the U.S. government may be sent as penalty mail by cooperative extension agents of the USDA Extension Service when part of their official duties. If cooperative extension employees mail correspondence, authorized USDA agents must sign it and give their official titles to show that they are authorized to use penalty mail.
- c. Annual reports of government-aided colleges (under 7 USC 325) may be sent as penalty mail when addressed to the Secretary of Education, the Secretary of Agriculture, or to any other such government-aided college.

**Employment Security
Offices**

3.3

All mail prepared under [7.0](#), [8.0](#), [9.0](#), and [11.0](#) by state employment security offices cooperating with the U.S. Department of Labor is accepted without prepayment of postage or fees.

Others Authorized

3.4

The general secretariat of the Organization of American States and Pan American Health Organization (or Pan American Sanitary Bureau) are authorized by law to transmit official matter without prepayment (see the *International Mail Manual*).

Vice President-Elect

3.5

The Vice President-elect of the United States may send franked mail in connection with preparations for assuming official duties as Vice President. The right to use penalty mail ceases immediately on inauguration to the vice presidency.

4.0 AUTHORIZATIONS

Authorized Agencies

4.1

Agencies authorized to use penalty mail are listed in Handbook DM-103, *Official Mail*, and are updated periodically in the *Postal Bulletin*. Other agencies may request authorization to use penalty mail by writing to the [Post Office Accounting manager, USPS Headquarters](#) (see [G043](#) for address).

College Officer

4.2

The college officer or other person connected with the extension department of the college and designated by the Secretary of Agriculture to use penalty mail under [3.2a](#) must be authorized by the PCSC to deposit penalty mail at a specific post office.

Licenses and Permits

4.3

Any agency authorized to use penalty mail must obtain licenses or permits to use penalty postage meters, penalty permit imprints, penalty business reply mail, and penalty Periodicals at specific post offices under [7.0](#) through [13.0](#).

Private Use

4.4

Unless permitted by USPS standards, an agency may not lend or provide penalty envelopes, cards, cartons, labels, meter stamps, or penalty mail stamps to any private person, concern, or organization. The use of these items for matter not relating exclusively to the business of the U.S. government is prohibited.

**Permit and BRM
Numbers**

4.5

Penalty mail permit imprint or BRM numbers, or information to help agencies track and account for penalty mail postage by cost center, may be obtained by written request to the [Post Office Accounting manager, USPS Headquarters](#).

5.0 SERVICES, CLASSES, RATES, PREPARATION, AND DETENTION

Postal Services

5.1

USPS policy is to give penalty mail customers all postal services for which they qualify, including forwarding, return, and address correction, unless otherwise provided by law or regulation. Agencies must pay for services in accordance with [P011](#).



Nonprofit Rates 5.2	Agencies are not permitted to send penalty mail at any nonprofit or subsidized rate.
Basic Preparation 5.3	Penalty mail must: a. Be prepared with an appropriate penalty indicia format. b. Meet the eligibility, marking, preparation, and physical standards for the class of mail and rate of postage used. c. Include a ZIP+4 code or a 5-digit ZIP Code in all delivery and return addresses. d. For all methods of payment, be endorsed for class or rate except for single-piece rate First-Class Mail.
Discounted Rates 5.4	Discounted rate penalty mail mailings must meet additional preparation standards: a. Presorted mailings must be prepared with penalty postage meters or penalty permit imprints or, for Periodicals, the penalty Periodicals imprint. b. Mailing fees and application fees are reimbursed under 2.0 and are not paid to the local post office, but are charged and billed through the Official Mail Accounting System (OMAS) from records of mailing activity. c. Discounted rate mailings must meet the eligibility and preparation standards and must be submitted to the designated USPS acceptance unit with the proper USPS postage statement. d. Discounted rate mailings are subject to the same USPS procedures for verifying mail preparation as private-sector mailings. First-Class Mail and Priority Mail, however, are not detained for improper mailer preparation. If the agency cannot be reached about a disqualified discounted rate mailing, the single-piece rate is charged and the mailing is accepted.
Special Services 5.5	Penalty mail endorsed for a special service is given the requested service. Penalty mail may not be used for: a. Money orders. b. Collect on delivery (COD) mail. c. Post office box service fees.
Shortpaid and Unpaid Mail 5.6	P011 applies to shortpaid and unpaid penalty mail, except that military units engaged in hostile operations or operating under arduous conditions may send mail postage-due, using a special postage-due format, when permitted under 5.7 .
Military Units 5.7	Military units engaged in hostile operations or operating under arduous conditions may be authorized to use a special form of postage-due penalty mail, subject to these conditions: a. This mail must be in the format shown in Exhibit 5.7. b. The special postage-due endorsement must be printed or hand-stamped above the delivery address where postage normally is affixed. c. Endorsements for class and requested special services must be placed below the special postage-due indicia. d. The return address must be a military post office (APO/FPO). e. The Military Postal Service Agency must notify the Post Office Accounting manager, USPS Headquarters, within 3 business days after effecting the provisions of 5.7.



- f. The use of these provisions is limited to 120 days from date of authorization unless otherwise announced.
- g. With prior agreement, the Military Postal Service Agency and the USPS may conduct tests of these provisions during designated military training exercises.

**Postage-Due Mail for
Military Units
Engaged in Hostile
Operations**
Exhibit 5.7

MILITARY AGENCY NAME
APO/FPO ADDRESS

OFFICIAL BUSINESS
Penalty For Private Use \$300

Armed Forces
Postage-Due Mail
Collect Postage From
Addressee Per DMM E060.5.7
DO NOT RETURN TO SENDER
FOR POSTAGE

Foreign
5.8 Penalty mail may be sent to other countries under the applicable standards and restrictions.

Mail Detention
5.9 Except as permitted by standard, the USPS does not hold penalty mail even if the mail appears to abuse official mailing privileges. Reports of indicated abuse are submitted to the PCSC for referral to the proper agency for investigation and action.

6.0 GENERAL STANDARDS FOR PENALTY INDICIA

General
6.1 The formats and methods of mailing penalty mail are penalty metered mail, penalty permit imprint mail, penalty mail stamps, penalty Periodicals imprint mail, and penalty reply mail. There are also special procedures for penalty Express Mail. Information on use of INTELPOST may be obtained from the Post Office Accounting manager, USPS Headquarters. All penalty mail matter must meet the applicable standards in 6.0 through 15.0.

Use
6.2 Envelopes and labels prepared under these standards may be used only to transmit penalty mail within the U.S. Mail, except when:

- a. Official items are carried by employees of the originating agency.
- b. Official items are carried by contractors for later entry into the U.S. Mail.
- c. Agencies reach written agreement with the Post Office Accounting manager, USPS Headquarters, to account for and pay postage on official items carried outside the U.S. Mail (18 USC 1693-1699 and 39 USC 601-606).

7.0 PENALTY METER

Description
7.1 Any agency may use postage meters (postage evidencing systems) with a special penalty design, following the procedures in P030 as modified in 7.2 through 7.11.

License
7.2 The agency must include its 3-digit agency code on each application for a meter license submitted under P030 and may assign one cost code to each license. A meter may be licensed for use at only one licensing post office. The agency must have a license and assigned meter(s) for each post office where it will deposit mail. The agency may have any number of meters under a single license. All transactions for each meter on a single license are charged to the agency code on the license application.

Meter Indicia Format
7.3 Penalty mail meter stamp designs must be placed in the upper right corner of the mailpiece. Except under P030.9.9 or P030.9.10, envelopes used with a penalty



postage meter must not contain facing identification marks (FIMs) or printing other than the meter indicia in the area where the meter stamps are applied.

Return Address 7.4	The complete return address (agency name and mailing address) must be in the upper left corner of each mailpiece. The preprinted words “Official Business” must be immediately below the return address.
Refunds for Unused Penalty Meter Indicia 7.5	Refunds for complete, legible, valid, unused penalty mail meter indicia are made under P014.3.2 . No refunds are made in cash or applied to a meter.
Transferring Meter 7.6	An agency transferring a meter from one licensing post office to another must obtain a license from the new licensing office under 7.2 .
On-Site Service 7.7	An agency wanting on-site meter service must pay the required fee in cash or with a check when the service is rendered.
Replacement Meter 7.8	If a meter is replaced, the remaining postage is transferred from the original meter to the replacement meter under P030 . The postage may not be transferred to a penalty meter operating under a different license number. Cash refunds are not issued to agencies for penalty mail postage meters checked out of service.
Insufficient Postage 7.9	Penalty metered mail with insufficient postage imprinted, and envelopes and labels designed for penalty meter use found in the mail without a penalty meter stamp, are treated as postage due under P011 .
Computerized Meter Resetting 7.10	An agency may use a penalty mail version of the authorized postage meter payment process for remotely reset meters if it is offered by the postage meter provider and approved by the USPS. The agency must follow the procedures in P030 , except the agency is not required to prepay for metered postage.
Disaster Field Office Meters 7.11	Authorized federal government agencies also may use a special penalty version of the authorized postage meter payment process for remotely reset meters for meters known as Disaster Field Office (DFO) meters. These meters are <i>only</i> for temporary use in federal government-declared disaster areas and must be replaced by regular penalty meters within 30 days, except for those used by designated agency staff specialists not in a fixed location (e.g., mobile vehicle or temporary office), who may use them through the duration of the emergency operation declaration. Written requests for authorization to use DFO meters must be submitted to the Post Office Accounting manager (see G043) and include the name, office address, and telephone number of an agency headquarters manager responsible for tracking and maintaining these meters, including complying with the necessary examination requirements. License applications for DFO meters are handled by the meter providers, who set up the licenses through the Washington, DC, licensing post office under normal meter licensing procedures.

8.0 PENALTY PERMIT IMPRINT

Application 8.1	An agency may apply to use penalty permit imprint procedures by completing Form 3615. The agency submits it to the post office where the mailings are to be deposited. The agency must show the complete name of the agency and, if applicable, the name of the component unit in the “Name of Applicant” section of the form. When the agency receives authorization to use a penalty permit imprint number not shown in the most recent listing in the <i>Postal Bulletin</i> , a copy of the authorizing letter from the Post Office Accounting manager, USPS Headquarters,
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must be submitted with Form 3615 to the post office where mailings are to be made. These procedures also apply when an agency uses a contractor to mail penalty permit imprint matter, unless the agency provides the contractor with the completed Form 3615 to submit to the entry post office. Fees are reimbursed under 2.0 and are not paid to the local post office. The USPS is not required to complete Form 3615 to activate its own permit imprint number (G-10) at post offices.

Format
8.2 The penalty permit imprint indicia must be in a rectangular box in the upper right corner of the mailpiece. The indicia must include the words “Postage and Fees Paid,” the agency name, and the agency’s assigned penalty permit imprint number or other penalty permit imprint number authorized by the Post Office Accounting manager, USPS Headquarters, preceded by the letter “G.” In addition, the class of mail or appropriate rate endorsement must be the first item within the indicia or immediately below or to the left of the indicia. Rate endorsements for certain rate categories may also be directly above the top line of the address. The city of mailing, amount of postage, and weight of the piece may be included within the indicia but are not required. First-Class Mail penalty permit imprints may also show the date.

Return Address
8.3 The complete return address (agency name and mailing address) must be in the upper left corner. The preprinted words “Official Business” and “Penalty for Private Use \$300” must be directly below the return address. The penalty statement must not be handwritten or typewritten.

Standards of P040
8.4 Mail sent under penalty permit imprint procedures must meet the standards of P040, except for prepayment and imprint format. The proper USPS postage statement must be submitted with each penalty permit imprint mailing. If a receipt is needed, the mailer must submit a duplicate of the postage statement. When a postage statement is submitted by a Government Printing Office (GPO) contractor, the serial number of the accompanying GPO Form 712 must be shown in the upper right corner.

GPO Contractor
8.5 As an exception to the general standard in 8.4, an agency mailing submitted by a GPO contractor may contain nonidentical-weight pieces or more than one class of mail, if:

- a. The pieces are for mailing only at single-piece rates.
- b. All other applicable standards for use of permit imprints are met, including those on minimum quantity and class of mail endorsements.
- c. A completed Form 3602-G is submitted to the entry post office for each mailing, in duplicate if the contractor wants a copy.
- d. The mailing is separated by the class and weight categories on Form 3602-G when presented to the post office. Postage is computed on the average weight of a piece for each category of mailing reported.
- e. Mailings reported on Form 3602-G are not eligible for intra-BMC Parcel Post rates.
- f. GPO Form 712 is submitted with the mailing and the proper USPS postage statement.

9.0 PENALTY POSTAGE STAMPS AND STATIONERY

Use
9.1 Penalty mail stamps may be used by any authorized federal agency to facilitate postage accountability. Enough penalty mail stamps to cover the correct

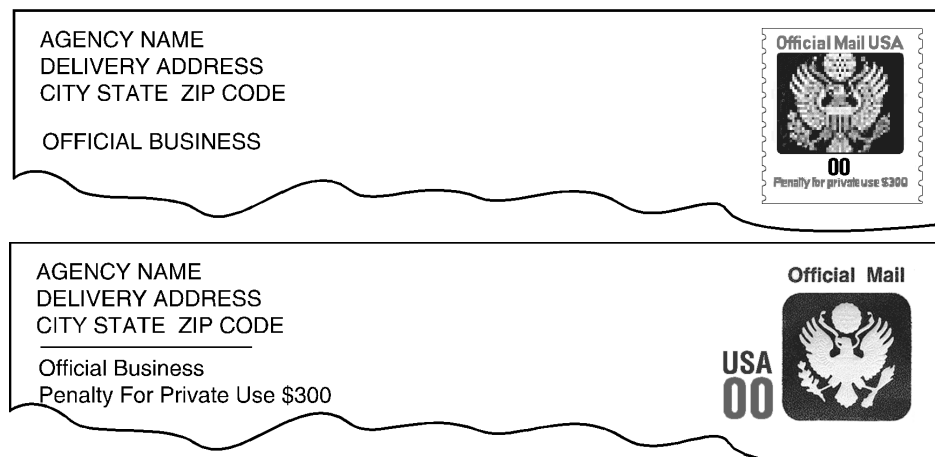


single-piece rate postage, including applicable surcharges or special service fees, must be affixed to each mailpiece. Pieces with insufficient penalty mail stamps affixed, and envelopes and labels designed for penalty mail stamps found in the mail without a penalty mail stamp are handled under [P011](#).

Availability
9.2

Penalty mail stamped stationery (plain stamped envelopes, personalized envelopes, and stamped cards) and penalty mail adhesive stamps (see [Exhibit 9.2](#)) are available in various denominations.

Penalty Mail Postage
Format
Exhibit 9.2



Application
9.3

A federal agency may apply to use penalty mail stamps by submitting a letter to the [Post Office Accounting manager, USPS Headquarters](#), stating how the agency plans to use the stamps. The Post Office Accounting manager provides a written response stating approval or denial of the application.

Placement
9.4

Penalty mail adhesive stamps must be affixed in the upper right corner of the address side of the mailpiece.

Return Address
9.5

The complete return address of the agency (agency name and mailing address) must be in the upper left corner of the address side of the mailpiece. The preprinted words "Official Business" must be immediately below the return address. On penalty stamped stationery, "Penalty for Private Use \$300" must be placed below "Official Business."

Ordering Stock
9.6

An agency authorized to use penalty mail stamps must order penalty mail stock as follows:

- a. Orders for penalty mail stamp stock other than personalized envelopes must be sent on Form 17-G to the stamp distribution office (SDO) serving the ZIP Code area to which the stamp stock is to be shipped. Orders for personalized envelopes must be sent on Form 17-J to Stamp Fulfillment Services (see [G043](#) for address).
- b. Each order must total at least \$50. Smaller orders received are increased to meet or exceed the minimum by adding full 100-stamp coils at the current First-Class single-piece 1-ounce rate.
- c. Each denomination of stamps must be ordered in multiples of 100 (i.e., full sheets or coils), except that \$1 and \$5 stamps must be ordered in multiples of 10.
- d. Penalty stamped cards must be ordered in full units of 250 cards.



- e. Penalty stamped envelopes (plain and personalized) must be ordered in full units of 500 envelopes.

Exchanges
9.7 Incorrectly shipped items or items damaged in shipping or defective or otherwise unserviceable may be exchanged by the SDO at full value.

10.0 GENERAL STANDARDS FOR PENALTY REPLY MAIL

Restriction to Approved Formats
10.1 An agency may distribute penalty envelopes, cards, cartons, or labels to any person, concern, or organization. To distribute penalty reply mail, agencies must use the penalty business reply mail format; the penalty metered reply format; penalty mail adhesive stamps or penalty mail stamped stationery; or the penalty merchandise return service label.

Prepayment
10.2 Prepaid adhesive postage stamps may be affixed to cards and envelopes distributed for reply purposes.

Penalty Metered Reply
10.3 An agency that holds a penalty postage meter license may distribute penalty metered reply cards and envelopes for return to the meter license holder, subject to the relevant standards in [P030](#).

Penalty Stamped Mail
10.4 An agency authorized to use penalty mail may furnish to a person, concern, or organization from or through whom official matter is desired, for reply purposes, printed penalty mail stamped stationery or envelopes or cards bearing penalty mail stamps that contain the preprinted address of a federal office or officer.

Format
10.5 Letter-size reply mail pieces enclosed in automation rate mailings must meet the standards in [C810](#) and [S922](#).

11.0 PENALTY BUSINESS REPLY MAIL (BRM)

General
11.1 An agency may participate in business reply mail service (including Qualified Business Reply Mail). Standards for business reply mail are in [S922](#). Agencies can choose to pay postage and per piece charges for BRM by setting up a BRM advance deposit account to be billed through the Official Mail Accounting System (OMAS) or by paying for BRM through an OMAS postage due account. Under a BRM advance deposit account, the agency is billed an annual accounting fee by each post office ZIP Code where mail is returned, the appropriate postage, and high-volume BRM per piece charges. Under the postage due option, the agency pays the appropriate postage and basic BRM per piece charges through an OMAS postage due account. The postage, fees, and per piece charges are the same as those for private-sector customers (see [R900](#)). Government agencies cannot use cash, penalty meter stamps, or penalty mail stamps to pay postage due.

Application
11.2 An agency must apply for a BRM permit on Form 3615 at each post office where its BRM is to be returned. The form must include the BRM permit number, the agency code, the agency cost code (if desired), and whether the agency wants to set up a BRM account. A contractor for the agency may submit the form if it is signed by an authorized agency representative. The USPS is not required to complete Form 3615 to activate its own BRM permit number at post offices.



Permit Fees 11.3

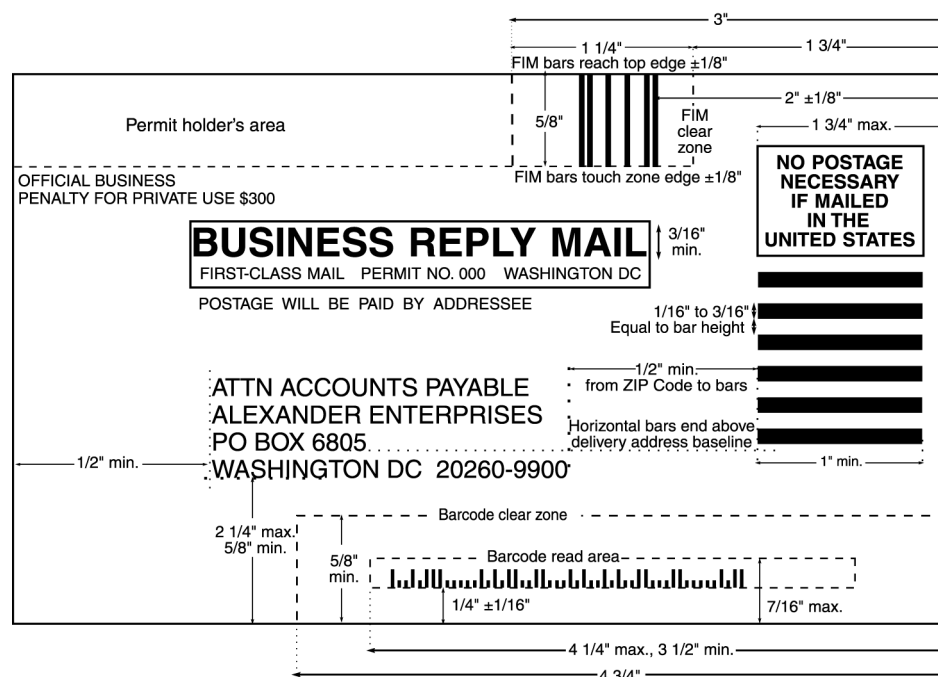
If an agency uses BRM at any location, it is charged an annual BRM permit and renewal fee for each permit number assigned. These fees are billed automatically by USPS Headquarters each year, and no agency action is necessary.

Addressing and Format 11.4

Penalty BRM envelopes must show the address of an authorized agency or a component unit. Envelopes must be printed as detailed in [S922](#) and as shown in [Exhibit 11.4](#), with these exceptions:

- The address may be printed, typewritten, or hand-stamped directly on the mailpiece, or a printed gummed label may be affixed in the address area. The address must not be handwritten. Letter-size BRM enclosed in automation rate mailings must meet the standards in [C810](#) and [S922](#).
- The required legend must read "Postage Will Be Paid By [name of authorized agency]."
- The space for the permit holder's use must include the statement "Official Business, Penalty for Private Use \$300." Space above this statement may be used for return address, logos, and distribution codes.

Penalty Business Reply Mail Format Exhibit 11.4



Cancellation 11.5

If an agency wants to cancel a BRM account, the agency must notify the post office handling the account.

12.0 PENALTY MERCHANDISE RETURN SERVICE

Description 12.1

Merchandise return service allows an authorized permit holder to pay the postage and special service fees on single-piece rate First-Class Mail, Priority Mail, and Package Services (Parcel Post, Bound Printed Matter, and Media Mail only) that is returned by the permit holder's customers via a special label produced by the permit holder as specified by [S923](#).



Postage and Special Service Fees 12.2	The standards for payment of postage and fees are: - The permit holder guarantees payment of the proper postage and special service fees on all returned merchandise return service articles distributed under the permit holder's permit number. Postage is collected for each article from an OMAS MRS account. - Returned parcels are charged single-piece rate postage and special service fees based on the class or subclass marking on the label. If a piece is unmarked, then it is charged Parcel Post rates. If the postage for the returned piece is zoned and there is no way to determine the zone of origin (i.e., no postmark or return address), then postage is calculated at zone 4 (for Priority Mail) or zone 4 Inter-BMC rates (for Parcel Post). - There is no per piece charge per parcel returned.
Annual Accounting Fee 12.3	All MRS permit holders are required to pay the annual accounting fee in R900, which is assessed automatically through OMAS.
Application 12.4	An agency must apply by letter to the Post Office Accounting manager, USPS Headquarters, to use merchandise return labels. A single permit number is assigned to each agency unless the agency asks for multiple numbers.
Post Office Notification 12.5	Agencies must apply for authorization to use their penalty merchandise return permit by submitting a Form 3615 at each post office where pieces bearing penalty merchandise return labels will be received. No fee should accompany this application since all fees for penalty mailers are assessed through OMAS.
Permit Renewal 12.6	Authorization to use a penalty merchandise return permit number at a local post office is renewed automatically unless the agency notifies the post office that it wishes to cancel its authorization. Annual authorization fees are assessed automatically through OMAS.
Label Format 12.7	The one-part merchandise return labels available for federal agencies must bear the address of an authorized agency or a component. Exhibit 12.7a shows the format required when no special services are requested or when insurance and/or special handling are requested. Exhibit 12.7b shows the format required when registered service without postal insurance is requested. The label must be printed in the format required by S923, except: - The phrases "Official Business" and "Penalty for Private Use \$300" must be printed directly below the return address and above the class of service requested in the upper left corner of the label. - The post office name required in the "Merchandise Return Label" legend must be the same as the post office authorized to receive the mail. - Permit holders are encouraged, but are not required, to put the rate marking in the space to the right and above the "Merchandise Return Label" legend. The marking must be at least 3/16 inch high and be printed or rubber-stamped. Only the permit holder may apply this marking.



**Merchandise Return
Label With No Special
Services or With
Insurance and/or
Special Handling**
Exhibit 12.7a

Recommended Blank Space for Insurance Label or Marking,
or Special Handling Marking if Appropriate
1-5/16 x 2-7/8 inches

Class of Mail Endorsement

AGENCY NAME DELIVERY ADDRESS CITY STATE ZIP CODE		NO POSTAGE NECESSARY IF MAILED IN THE UNITED STATES
OFFICIAL BUSINESS PENALTY FOR PRIVATE USE \$300		
POSTAGE DUE COMPUTED BY: DELIVERY UNIT IF NO SPECIAL SERVICES (OR) ACCEPTANCE POST OFFICE IF SPECIAL SERVICES ARE REQUESTED		
POSTAGE _____ INSURANCE FEE (IF ANY) _____ SPECIAL HANDLING FEE (IF ANY) _____ TOTAL POSTAGE AND FEES DUE \$ _____		
MERCHANDISE RETURN LABEL PERMIT NO 1 CONESTOGA PA 17516 ABC CO 501 FIRST AVE		
POSTAGE-DUE UNIT US POSTAL SERVICE PO BOX 9998 CONESTOGA PA 17516-9998		

Insurance and/or Special
Handling Endorsement

Agency Name

**Merchandise Return
Label for Registered
Mail Service Without
Insurance**
Exhibit 12.7b

Recommended Blank Space for Registered Mail Label
7/8 x 2-1/4 inches

Class of Mail Endorsement
(Must be First-Class or Priority Mail)

AGENCY NAME DELIVERY ADDRESS CITY STATE ZIP CODE		NO POSTAGE NECESSARY IF MAILED IN THE UNITED STATES
OFFICIAL BUSINESS PENALTY FOR PRIVATE USE \$300		
ACCEPTANCE POST OFFICE COMPUTE POSTAGE DUE		
POSTAGE _____ REGISTERED FEE _____ TOTAL POSTAGE AND FEES DUE \$ _____		
REGISTERED MAIL SERVICE WITHOUT POSTAL INSURANCE DESIRED BY PERMIT HOLDER		
MERCHANDISE RETURN LABEL PERMIT NO 1 CONESTOGA PA 17516 ABC CO 501 FIRST AVE		
POSTAGE-DUE UNIT US POSTAL SERVICE PO BOX 9998 CONESTOGA PA 17516-9998		

Registered Endorsement
(Must Indicate Without Postal Insurance)

Agency Name

**Insurance Indicated
by Permit Holder**
12.8

The permit holder may obtain insured mail service with MRS. Indemnity under penalty mail merchandise return is limited to \$100. Items requiring insurance greater than \$100 may not be mailed under penalty merchandise return service. Only Package Services matter (i.e., matter not required to be mailed at First-Class Mail rates under [E110](#)) may be insured. Insured mail may be combined with other special services as listed in [S913](#). To request insured mail service, the permit holder must preprint or rubber-stamp "Insurance Desired by Permit Holder for \$_____ (value)" to the left of and above the "Merchandise Return Label" legend and below the "Total Postage and Fees Due" statement on the merchandise return



- label. The value part of the endorsement, showing the dollar amount of insurance for the article, may be handwritten by the permit holder. If insurance is paid for by the MRS permit holder, then only the MRS permit holder may file a claim ([S010](#)).
- Insured Mail Added by Sender**
12.9 If the permit holder has not indicated insured mail service on the MRS label, then the sender has the option of adding insurance at the sender's own expense. There is no limit on the indemnity coverage paid for by the sender. If insurance is paid by the sender, then only the sender may file a claim ([S010](#)).
- Registered Mail**
12.10 Only the permit holder may request that the piece receive registered mail service by preprinting the endorsement noted below. All applications for registered merchandise return service must be submitted to the manager of Mailing Standards (see [G043](#) for address). Registered mail service may be obtained only on articles returned at First-Class Mail or Priority Mail rates. Only registered mail service without postal insurance is available under penalty mail merchandise return procedures. An agency wanting to register merchandise return articles with postal insurance must follow the procedures in [S923](#). When registered mail service is requested for single-piece First-Class Mail or Priority Mail, no other special service is available. The format in [Exhibit 12.7b](#) must be used for the merchandise return label, and the following endorsement must be preprinted to the left of and above the "Merchandise Return Label" legend and below the "Total Postage and Fees Due" statement: "Registered Mail Service Without Postal Insurance Desired by Permit Holder."
- Special Handling**
12.11 Only the permit holder may request that the mailpiece receive special handling. The format in [Exhibit 12.7a](#) must be used for the merchandise return label. Package Services items requiring special handling must have the following endorsement preprinted or rubber-stamped to the left of and above the "Merchandise Return Label" legend and below the "Total Postage and Fees Due" statement: "Special Handling Desired by Permit Holder."
- Permit Cancellation**
12.12 A permit may be canceled by the Post Office Accounting manager, USPS Headquarters, for violation of postal regulations, including:
- Refusing to accept and pay the required charges for merchandise return offered for delivery.
 - Distributing merchandise return labels that do not meet USPS specifications.
- Later Receipt**
12.13 When a permit is canceled, mailpieces received after the cancellation are treated under [S923](#).

13.0 PENALTY PERIODICALS

- Application**
13.1 An agency may apply for penalty Periodicals mailing privileges for periodical publications that meet the basic eligibility standards in [E200](#). The correct application form and supporting materials must be submitted to the post office where the known office of publication is located.
- Compliance**
13.2 Except for prepayment of postage, penalty Periodicals must meet the standards that apply to private-sector Periodicals publications.
- Format**
13.3 A penalty mail Periodicals imprint must be printed on the front or back cover of each copy, either in the upper right corner of the address area or in the upper right corner of the address side of the envelope or wrapper. The imprint for copies mailed while an application is pending must read "Application to Mail at Periodicals Rates Pending." The imprint for authorized publications must contain the words



“Periodicals” or “Periodicals Newspaper” (as appropriate); the words “Postage and Fees Paid”; the agency name; and the International Standard Serial Number assigned by the Library of Congress, if the publication has one, or the publication number assigned by the USPS at the time of authorization. See [Exhibit 13.3](#) for format.

Penalty Periodicals Formats Exhibit 13.3

Publications Mailed While Application Pending	
AGENCY NAME DELIVERY ADDRESS CITY STATE ZIP CODE OFFICIAL BUSINESS Penalty for Private Use \$300	Application to Mail at Periodicals Rates Pending

Authorized Periodicals Publications	
AGENCY NAME DELIVERY ADDRESS CITY STATE ZIP CODE OFFICIAL BUSINESS Penalty for Private Use \$300	Periodicals Postage and Fees Paid Agency Name ISSN or USPS Pub. No.

Return Address 13.4

For both authorized publications and those with applications pending, the front or back cover of each copy or the address side of its envelope or wrapper must also show the agency name and a complete return address. The words “Official Business” and “Penalty for Private Use \$300” must be preprinted directly below the return address. The penalty statement must not be handwritten or typewritten (see [Exhibit 13.3](#)).

Postage and Fees 13.5

Postage and fees are billed through OMAS. Agencies must submit a completed postage statement to the entry office with each mailing of each edition or as otherwise permitted by the standards for Periodicals in [P200](#).

14.0 PENALTY EXPRESS MAIL

Agencies have the same service and contract options as other mailers when arranging for penalty Express Mail service. Agencies may prepay Express Mail postage or pay with penalty postage meters or penalty mail stamps. They may also use the 3-digit agency code (and 5-digit cost code) if authorized according to the most recent listing in the *Postal Bulletin*. If postage is prepaid or paid with penalty meters or penalty mail stamps, the 3-digit agency code is not written in the customer number block on Express Mail labels. If the 3-digit agency code is used, an agency envelope or label must be used that contains a complete agency return



address and the preprinted phrases “Official Business” and “Penalty for Private Use \$300.”

15.0 CONTRACTORS

Reimbursement

15.1

An agency authorized to use penalty mail must reimburse the USPS for contractor use of penalty mail services. The agency must promptly provide, in the form requested, all information on contractor use of penalty mail services that the Post Office Accounting manager, USPS Headquarters, considers necessary for accurate reimbursement to the USPS.

Preparation

15.2

Preparation standards for a contractor's penalty mailings include:

- a. First-Class Mail, Standard Mail, and Package Services penalty mailings must be prepared with penalty permit imprints or penalty meters. Single-piece rate mailings may also be prepared with penalty mail stamps.
- b. Periodicals must be prepared with a penalty Periodicals imprint.
- c. Reply mail must be prepared under [10.0](#), [11.0](#), and [12.0](#), as applicable.
- d. Express Mail must be prepared with penalty postage meters, penalty mail stamps, or use of 3-digit agency code under [14.0](#).

Postage Statement

15.3

A contractor submitting a mailing that requires a postage statement must prepare the statement in duplicate if the mailer wants a copy.

Providing Materials

15.4

When an agency requires a contractor to provide progress reports or to return government materials to the agency by mail, the agency may either require the contractor to prepay postage on these items or provide the contractor with BRM or merchandise return envelopes and labels.

Return Address

15.5

Penalty envelopes and labels used by any contractor must show the printed return address of an authorized agency. The name and address of a private person, concern, organization, or contractor may not be shown in the return address.