# **Directive** MRP 3050.2

6/25/09

## **COMMERCIAL PAYMENT FOR POSTAGE**

#### 1. PURPOSE

This Directive establishes the policy, procedures, and responsibilities for the Marketing and Regulatory Programs (MRP) agencies to pay for postage costs to the United States Postal Service (USPS) using the commercial payment process.

#### 2. AUTHORITY

Federal Management Regulation, 41 CFR 102-192.55 (c) dated June 2002.

#### 3. POLICY

It is MRP policy to give programs the budget authority to maintain control and accountability of postage funds.

#### 4. BACKGROUND

- a. <u>Conversion</u>. The General Services Administration (GSA) issued the Federal Management Regulation interim rule (41 CFR parts 101-9 and 102-192) in the Federal Register, June 2, 2002, and directed that beginning October 1, 2003, all payments to the USPS must be made using commercial payment processes instead of the Official Mail Accounting System (OMAS). However, the U.S. Department of Agriculture received a deviation to this interim rule. Conversion could be completed in stages and GSA recommended that agencies begin with meter conversion.
  - (1) By Decision Memorandum dated June 2007, MRP agencies decided to implement conversion by first converting meters.
  - (2) All MRP meters were converted by December 2007.
  - (3) By Decision Memorandum dated June 2007, MRP agencies decided to continue implementing conversion for all remaining methods of postage:
    - (a) Business Reply Mail (BRM).
    - (b) Permit Imprint.

- (c) Express Mail.
- (d) Postage Due.
- (e) Merchandise Return Mail.
- b. <u>Benefits</u>. The benefits of commercial payment of mail include the ability of agencies and programs to:
  - (1) Track postage cost in real time.
  - (2) Manage postage cost more efficiently.
  - (3) Account for postage cost through their budgeting and accounting process.
  - (4) Identify opportunities to save money before they spend it.
  - (5) Identify instances of potential fraud.

## 5. **RESPONSIBILITIES**

- a. <u>MRP Business Services (MRPBS), Administrative Services Division (ASD); and</u> <u>the Financial Management Division, (FMD)</u>; will establish procedures for making payments to USPS for meter postage and other postage methods. Each method will feed the information into the Foundation Financial Information System (FFIS) and the Financial Data Warehouse (FDW). MRPBS, FMD, Minneapolis Accounting and Payments Team (APT) will match the vendor code, name, and banking information on file and make the payment. Each program's financial manager is responsible for ensuring payments are made accurately and timely.
- b. <u>MRPBS, ASD, Printing, Distribution, Mail and Copier Solutions (PDMCS)</u>; will coordinate the conversion processes with FMD; ASD, Procurement Branch; and MRP Programs.
- c. <u>MRP Program Offices</u> will:
  - AMS: Cotton and Tobacco, Dairy, Fruit and Vegetables, Livestock and Seed, Science and Technology, and Transportation and Marketing
  - APHIS: Animal Care, Biotechnology Regulatory Services, Civil Rights Enforcement and Compliance, International Services, Legislative and Public Affairs, Marketing and Regulatory Programs Business Services, Plant Protection and Quarantine, Policy and Program Development, Veterinary Services, and Wildlife Services

- **GIPSA:** Federal Grain Inspection Service, and Packers and Stockyards Program
- (1) Notify PDMCS of all postage meter activity, such as meter resets, meter head changes, meters checked out of service, and meters acquired.
- (2) Notify PDMCS of permanent office closings and changes in office locations.
- (3) Return meters to meter companies when their offices are permanently closed or transferred to another agency.
- (4) Notify PDMCS when canceling BRM accounts in addition to their local post offices when accounts are no longer needed and before closing or relocating an office.
- (5) Pay for all costs for new equipment, conversion from penalty meters to commercial meters, and postage.

# 6. ACTION

- a. Offices spending \$1,000 or less in annual meter postage must consider more cost effective solutions for postage. Options such as commercial stamps and Personal Computer (PC) postage can be more cost-effective than meters for some offices. PC postage allows the user to purchase and print postage with a stand alone desktop computer.
  - PC postage will be paid by the Government Visa purchase credit card. For information about PC postage, logon to the following USPS authorized PC Postage providers: <u>http://endicia.com/</u>
    <u>http://www.pitneybowes.com/</u> or <u>http://stamps.com/</u>
  - (2) Commercial stamps can be purchased at your local Post Office with a Government Visa purchase credit card.
  - (3) The Budget Object Code (BOC) 2350 will be used for PC Postage and commercial stamps purchased at the Post Office. This BOC is not to be used for lease or purchase of equipment or supplies. The BOC for PC service is 2570. The BOC for supplies (labels) is 2670.
- b. Offices spending more than \$1,000 annually for postage must use meters or stamps.
- c. Field offices will call their meter companies to download postage. Program financial managers will be responsible for ensuring that there are sufficient funds in the accounts and adding funds as necessary. Postage on commercial meters

must NOT be paid with a Government Visa purchase credit card. An alternate method of payment is available and described below. Any questions should be referred to program financial managers.

- (1) <u>Meters</u>.
  - (a) Order commercial meters for mailing machines.
  - (b) Verify meters are commercial meters. Commercial meter imprints may not say "Penalty for Private Use \$300."
  - (c) Acquire Postage by Phone account number from meter vendor sales representatives.
  - (d) Complete Mailing Machine Payment Request and Mailing Machine Obligation Request documents and include Postage by Phone account number in box 2. Only those authorized to request obligations and payments may use these forms.
  - (e) Email completed and signed forms to the MRPBS FMD, Minneapolis APT. Instructions on how to address the email are on the forms. Funds will be available for download to postage meters 10-14 days after the forms are processed.
- (2) <u>Other Postage Methods</u>.
  - (a) Business Reply Mail (BRM) and Merchandise Return Service (MRS).
    - <u>1</u> Identify inactive accounts.
    - <u>2</u> Determine whether inactive accounts should remain open, switched to low volume accounts or closed.

Apply and pay for permits at the local post office by completing Postal Service (PS) Form 3615, Mailing Permit Application and Customer Profile.
 <a href="http://www.usps.com/forms/\_pdf/ps3615.pdf">http://www.usps.com/forms/\_pdf/ps3615.pdf</a>
 An initial fee of \$180 must be paid when a commercial permit is first obtained. A Government Visa purchase credit card may be used as payment for first time FEES ONLY. Once the account is established, fees must be paid thru the Centralized Account Processing System (CAPS) accounts. Two forms of identification, a copy of the annual permit fee receipt, and letter on official letterhead are also needed to apply.

- <u>4</u> Obtain copies of the annual permit fee receipt and official letter from the MRP Mail Manager.
- 5 Notify the MRP Mail Manager when the account has been opened. The MRP Mail Manager will link postage methods to the CAPS. Programs must complete the CAPS Account Obligation Request form and CAPS Payment Request and include CAPS and/or permit numbers.
- <u>6</u> Email a signed copy to the APT Team in Minneapolis, MN, to fund CAPS accounts. Only those authorized may sign obligation forms.
- <u>7</u> Fund CAPS account through Electronic Funds Transfer (EFT).
- <u>8</u> Create new camera copy for new commercial BRM accounts with the statement "Official Business."
  Envelopes, labels, and tags will need to be reprinted with the new permit number.
- <u>9</u> Destroy all old envelopes, labels, and tags with old permit numbers.
- (b) Permit Imprint.
  - Apply and pay for permits at local post office by completing PS Form 3615. An initial fee of \$180 must be paid when the commercial permit is first obtained. Purchase Card Management System (PCMS) cards may be used as payment for first time FEES ONLY. Once the account is established, fees must be paid through the CAPS accounts. Two forms of identification are needed to open Permit Imprint accounts.
  - 2 Notify the MRP Mail Manager when the account has been opened. The MRP Mail Manager will link postage methods to CAPS.
  - <u>3</u> Complete the CAPS Account Obligation Request and CAPS Payment Request forms and include CAPS and/or permit numbers.

- <u>4</u> Email a signed copy to APT Team in Minneapolis, MN, to fund CAPS accounts. Only those authorized may sign obligation forms.
- 5 Fund CAPS account through EFT.
- 6 Create new camera copy for new commercial BRM accounts with the statement "Official Business." Envelopes will need to be reprinted with the new permit number.
- <u>7</u> Destroy all old envelopes with old permit numbers.
- (c) Express Mail.
  - Apply for Express Mail Corporate Account (EMCA) by completing PS Form 5639, EMCA Account Application and Payment Authorization. Completion instructions are included on the form. <u>http://www.usps.com/forms/\_pdf/ps5639.pdf</u>
  - <u>2</u> Mail completed form to:

Express Mail Corporate Account ATTN: EMCA Coordinator 8300 NE Underground DR Pillar 210 Kansas City, MO 64144-0001

#### 7. INQUIRIES

- a. Direct questions concerning this Directive to the MRP Mail Manager at 301-734-4482.
- b. This Directive can be accessed on the Internet at *http://www.aphis.usda.gov/library*, and on the AMS Intranet at *http://agnis/sites/amsissuances/default.aspx*.

/s/ Gregory L. Parham Deputy Administrator MRP Business Services