



## Periodicals Eligibility Review

Handbook DM-203

September 2000  
Transmittal Letter

**A. Explanation.** This handbook is designed for postmasters and employees who conduct eligibility reviews required for Periodicals publications. It is designed to aid you in verifying the publisher's circulation figures. For Periodicals eligibility standards, content restrictions, etc., please refer to the *Domestic Mail Manual (DMM)*, Customer Support Rulings, and other Postal Service publications.

**B. Distribution:**

1. **Initial.** This handbook is distributed to post offices and postal facilities that conduct Periodicals eligibility reviews.
2. **Additional Copies.** Order additional copies from the material distribution center (MDC) using PS Form 7380, *MDC Supply Requisition*.

**C. Comments on Content.** Send comments and suggestions about the content of this handbook to the following address:

MAIL PREPARATION AND STANDARDS  
US POSTAL SERVICE  
1735 N LYNN ST 3RD FL  
ARLINGTON VA 22209-6038

**D. Effective Date.** This handbook is effective September 2000.

A handwritten signature in black ink that reads "Anita Bizzotto".

Anita Bizzotto  
Vice President  
Pricing and Product Design

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# 1 Basics of Reviewing

## 1-1 Which Publications Require Review

The following Periodicals publications require an eligibility review:

- a. Publications (except foreign) for which new applications for Periodicals authorization are submitted. (New application reviews can be conducted only by the Postal Service.)
- b. Publications (except foreign) with a paid/requested circulation of 60 percent or less, as shown on PS Form 3526, *Statement of Ownership, Management, and Circulation*.

**Note:** Publications reviewed by authorized audit bureaus do not require an eligibility review by the Postal Service if the percentage of paid or requested circulation is over 50%.

## 1-2 Who Conducts the Review

The postmaster or a designated employee conducts the eligibility review.

## 1-3 Forms Used in the Review

### 1-3.1 **Publisher**

The publisher of an authorized Periodicals publication must complete the following two forms, as required:

- a. PS Form 3526, *Statement of Ownership, Management, and Circulation*. The publisher must submit this form every year by October 1.
- b. PS Form 3548, *Review and Verification of Circulation*. If an eligibility review is required (based on the information in the PS Form 3526 submitted by the publisher), then the Postal Service will notify the publisher that the publisher must also complete and submit PS Form 3548. The publisher completes Column A ("Publisher's Count"), and the Postal Service completes Column B ("Verified Count"). The publisher must submit this form before the Postal Service conducts the review.

**Note:** See Appendix A for a copy of PS Form 3526 and Appendix B for a copy of PS Form 3548. You may reproduce both forms locally and use them when conducting Periodicals eligibility reviews.

### 1-3.2 **Postal Service**

In addition to completing required sections of PS Form 3526 and PS Form 3548 submitted by the publisher, the reviewing postmaster or designated employee completes one of the following two forms for the eligibility review:

- a. PS Form 3548-R, *Verification of Names on Requesters List*.
- b. PS Form 3548-S, *Verification of Names on Subscribers List*.

**Note:** See Appendix C for a copy of PS Form 3548-R and Appendix D for a copy of PS Form 3548-S. You may reproduce both forms locally and use them when conducting Periodicals eligibility reviews.

**Note:** Publishers of new Periodicals publications also need to complete PS Form 3548 for the initial eligibility review.

It is recommended that the advertising percentage of the issue being reviewed be measured for accuracy. (The Postal Service retains publisher's marked copies for a period of 6 months.)

## 1-4 **Publisher's Retention of Records**

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Publishers must retain the following records for 36 months unless noted:

- a. Print order or press run.
- b. Invoices showing the total number of copies printed.
- c. Mailing labels or mailing list of mailed distribution.
- d. Orders for subscriptions or requests.
 

**Note:** Retain records for requesters for 36 months, but retain records for paid subscribers for 24 months.
- e. Records of newsstand sales and returns.
- f. Stubs or copies of receipts issued.
- g. Records of vending machine sales and returns.
- h. Dues records.
- i. Sales records and returns for over-the-counter sales.
- j. Membership records.
- k. Assignment and collection records for carriers (outside the Postal Service).
- l. Cash receipts or similar payment records.
- m. Records of copies destroyed.
- n. Records to substantiate any other circulation.
- o. A copy of each issue of the publication, including all enclosures and supplements.

The above is a sample list of appropriate documentation. Publishers may retain any form of documentation that verifies their total circulation of each issue of a publication.

# 2 Preparing for the Review

## 2-1 Step 1: Review PS Form 3526

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Every October, review each PS Form 3526, *Statement of Ownership, Management, and Circulation*, that you receive for authorized Periodicals publications. This review can reveal whether an on-site eligibility review is required (see Exhibit 2-1 for an overview of this process). Check each PS Form 3526 as follows:

- a. Compare the publication title and the publication frequency with the information shown in the Periodicals authorization on file at your office.
- b. Check the publisher's figures and computations for accuracy.
- c. Check that item 15i, "Total," equals item 15a, "Total Number of Copies (*Net press run*)."
- d. Compare the distribution figures on PS Form 3526 with those on the appropriate PS Form 3541 (postage statement) for the issue on which the circulation information is based. The issue date appears in item 14 on PS Form 3526. (There may be more than one PS Form 3541 for the issue.)

**Note:** The "appropriate PS Form 3541" is one that has one of the following extensions: N, NC, NCX, NX, R, or RX.

The figures reported on PS Form 3526 and PS Form 3541 should be nearly identical. If there is a 5 percent (plus or minus) difference, contact the publisher for an explanation. If the publisher's explanation is not acceptable, notify the manager of business mail entry for further action.

- e. Check the percentage of paid/requested circulation claimed by the publisher and determine whether to schedule the eligibility review as follows:
  - (1) If the paid/requested circulation is less than 50 percent (for a single issue or average of issues), schedule an immediate review to document whether the publication is or remains qualified for Periodicals mailing privileges.
  - (2) All publications must show a paid or requested circulation of 50 percent or more. If the publication fails this review, send the review documents to the manager of business mail entry to evaluate the matter and consider revocation action.

- (3) If the paid/requested circulation is between 50 percent and 60 percent, schedule the publication for review, unless the publication receives a postal audit by an authorized audit bureau. Audit bureau reviews resulting in a paid circulation between 50 percent and 60 percent are not reviewed by the Postal Service.

If the publication fails this review, send the review documents to the manager of business mail entry to evaluate the matter and consider forwarding them to the rates and classification service center (RCSC) for revocation action.

- (4) If the paid/requested circulation is more than 60 percent, do not schedule a review. Retain the publisher's PS Form 3526 for 5 years in the publisher's file at the known office of publication.

## 2-2 Step 2: Review PS Form 3548

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If the review of PS Form 3526 shows that an eligibility review is required, notify the publisher by telephone that you will review the publication's circulation records to ensure compliance with the paid/requester requirement. Then do the following:

- a. Select a recent issue of the publication to review. Select any issue unless one of the following special conditions exists:
  - (1) If PS Form 3526 shows that the paid/requested circulation is less than 50 percent, select the issue on which the circulation information on the form is based. (Give the publisher the option to abandon Periodicals mailing privileges before the review is scheduled.)
  - (2) If the publication has news agents, street sales, etc., select an issue for which all distribution records are complete. Obtain this information from the publisher.
- b. Notify the publisher — by certified letter (return receipt requested) — that all unshaded portions of PS Form 3548 must be completed and returned to you before the review date (see Exhibit 2-2 for a sample letter). If the form is not returned, contact the manager of business mail entry for assistance.
- c. After the publisher's completed PS Form 3548 arrives at your office, check the form to ensure that the total production — i.e., the amount reported in Column A ("Publisher's Count") — equals the total copies printed. If not, call the publisher to account for the difference.

## 2-3 Step 3: Schedule the On-site Review

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Schedule the on-site eligibility review by doing the following:

- a. Telephone the publisher to schedule a mutually agreeable time and date for the on-site review. Be sure that all records for newsstand sales and returns are available before agreeing to a date.

Ask the publisher which types of records are available to confirm the circulation data. Some examples of records used to conduct reviews include the following:

- (1) The print order/press run for the issues to be verified. This record shows the exact number of copies that were printed for the issue being verified.
  - (2) Invoices showing the total number of copies printed.
  - (3) Mailing labels or a mailing list of the mailed distribution for the issue to be verified. This information will enable you to randomly select names to verify that they are paid or requested subscribers.
  - (4) All orders for subscriptions or requests.
  - (5) Records of newsstand sales and returns.
  - (6) Stubs or copies of receipts issued. These records will acknowledge receipt of payment from paid subscribers.
  - (7) Records of vending machine sales and returns.
  - (8) Dues records that indicate the dollar amount from the dues that are used to pay for the subscription, if applicable.
  - (9) Sales records and returns for over-the-counter sales.
  - (10) Membership records that indicate that a subscription to the publication is part of the membership, and the dollar amount from the membership that is used to pay for the subscription, if applicable.
  - (11) Assignment and collection records for carriers outside the Postal Service.
  - (12) Cash receipts or similar bank records that substantiate subscription payments.
  - (13) Records that indicate the number of copies that were destroyed.
- b. Send the publisher a letter (by regular mail) confirming the telephone call and the scheduled review appointment date (for a sample letter, see Exhibit 2-3).



Exhibit 2-1  
PS Form 3526 Flow Chart

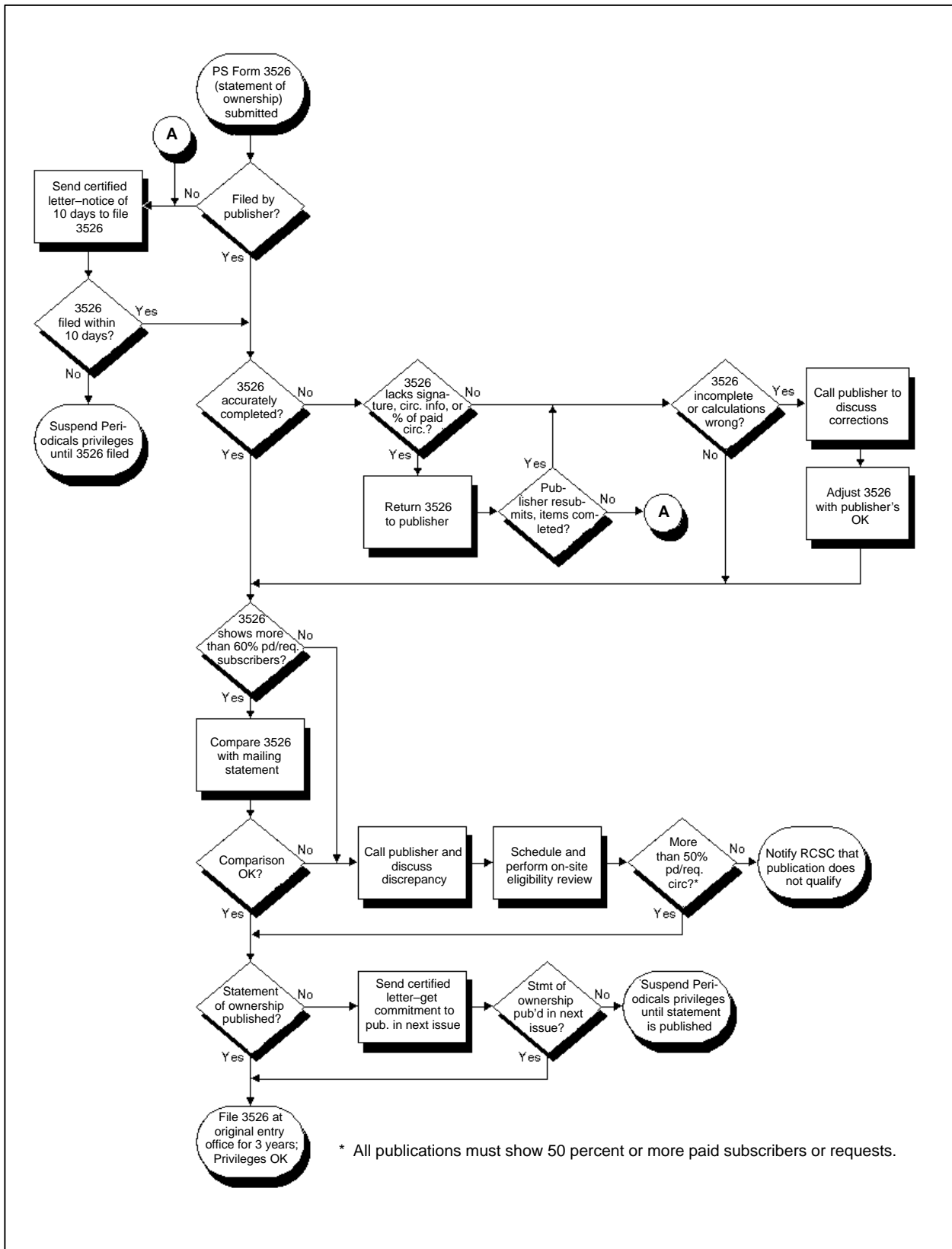


Exhibit 2-2

**Sample Letter to Publisher (Completion of PS Form 3548)**



September 1, 2000

Ms. Mary Smith  
Circulation Department  
ABC Publications  
1234 Main Street  
Anytown, ST 00000-0000

Dear Ms. Smith:

This confirms our telephone conversation of [date] regarding a verification of circulation for your Periodicals publication, [title].

Please complete the enclosed PS Form 3548, *Review and Verification of Circulation*, for the [date] issue and return it to this office within 15 days of receipt of this letter. Complete all unshaded areas on the form (mark "N/A" in areas that do not apply).

The circulation review will be conducted on [date] at [time].

Please call me at [telephone number] if you have any questions.

Sincerely,

John Jones  
Postmaster  
1234 Broadway  
Anytown, ST 11111-9998

Certified Mail (Return Receipt Requested)

## Exhibit 2-3

**Sample Letter to Publisher (On-Site Review)**

September 1, 2000

Ms. Mary Smith  
Circulation Department  
ABC Publications  
1234 Main Street  
Anytown, ST 00000-0000

Dear Ms. Smith:

This confirms our telephone conversation of [date] regarding a verification of circulation for your Periodicals publication, [title].

[Name] from my office will conduct the review on [date] at [time]. Please arrange to have available someone from your company who has knowledge of your circulation records. The issue to be verified is [date of issue]. It will be necessary for you to provide records that confirm the total circulation of this issue of the publication. An example of the records needed include the following:

- The print order/press run for the issues to be verified. This record shows the exact number of copies that were printed for the issue being verified.
- Invoices showing the total number of copies printed.
- Mailing labels or a mailing list of the mailed distribution for the issue to be verified. This information will enable the Postal Service to randomly select names to verify that they are paid or requested subscribers.
- All orders for subscriptions or requests.
- Records of newsstand sales and returns.
- Stubs or copies of receipts issued. These records will acknowledge receipt of payment from paid subscribers.
- Records of vending machine sales and returns.
- Dues records that indicate the dollar amount from the dues that are used to pay for the subscription, if applicable.
- Sales records and returns for over-the-counter sales.
- Membership records that indicate that a subscription to the publication is part of the membership, and the dollar amount from the membership that is used to pay for the subscription, if applicable.
- Assignment and collection records for carriers outside the Postal Service.
- Cash receipts or similar bank records that substantiate subscription payments.
- Records that indicate the number of copies that were destroyed.

If you have any questions about this review and verification, please call [me or name of employee who is to conduct the review] at [telephone number].

Sincerely,

John Jones  
Postmaster  
1234 Broadway  
Anytown, ST 11111-9998

# 3 Conducting the Review

## 3-1 Step 1: Verify Copies Printed

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Begin the on-site part of the eligibility review by doing the following:

- a. Verify the total number of copies printed. Obtain this number by using one of the following three sources in the order listed:
  - (1) The printer's invoice or bill.
  - (2) The press run (actual number of copies printed by the printer).
  - (3) The print order (written order to the printer).

Every printed copy for the issue being reviewed must be accounted for during the review. Copies not accounted for are considered nonsubscriber or nonrequester copies.

- b. Verify the accuracy of the number of copies printed, as shown by the publisher on PS Form 3548 or, for new publications, on the publisher's application.

## 3-2 Step 2: Select and Analyze Subscriber/Requester Names

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Select, verify, and analyze the names on the publisher's mailed distribution list as follows:

- a. Obtain a list of names from the publisher (use a label list or other printout).
- b. Using the following chart, determine the number of names to be included in the dataset based on the percentage of paid or requested circulation reported on PS Form 3548.

<b>% Paid/Requested Circulation</b>	<b>Number of Names to Sample</b>
0% to 59.9%	50
60% to 74.9%*	25
75% to 100%*	10

\* These categories are used for new applications and for reviews scheduled for any reason other than a reported paid/requested circulation of less than 60 percent.

**Example:** If the publisher's percentage of paid or requested circulation shown on PS Form 3548 is 60 percent, select 25 names from the mailed distribution list.

- c. After determining the number of names to be included in the dataset, perform the following steps:
- (1) Obtain a skip interval by dividing the total number of names on the mailed distribution list by the number of names to be sampled.
 

**Example:** If the mailed distribution list shows 1,850 copies, divide 1,850 by 25 (the number of names to be sampled) to obtain the skip interval number to be used in the sampling.

$$1,850 \div 25 = 74$$

Randomly choose a number between 1 and 74, start with that name, then list every 75th name on the mailed distribution list until you list the 25 names.
  - (2) Trace the names to one of the following documents:
    - (a) A financial record of subscription payment for paid publications.
    - (b) A valid request for requester publications, including nominal rate subscriptions.
  - (3) List the names and addresses on PS Form 3548-S or PS Form 3548-R. If the mailed distribution list is short enough to keep with the review records, you may simply highlight on the list the names used rather than complete PS Form 3548-S or PS Form 3548-R.
  - (4) Include all the publisher's subscriber and requester lists in your sampling. Omit copies circulated by news agents, newsstands, and news carriers, as well as separate lists of copies mailed free. For every name listed, ask the publisher for a source document that shows the following:
    - (a) *For other than requester publications:* payment of a rate above nominal (i.e., at least half of the publisher's stated subscription price) and the expiration date of the subscription. (The highest value of a premium must be deducted from the price paid by the subscriber before determining if the rate paid is nominal.)
    - (b) *For requester publications:* a written request signed and dated by the requester and all paid circulation (including nominal) that has not expired, with financial documentation, including promised to pay (ordered but not paid). Requests are good for 3 years, unless a shorter period of time is specified by the requester.
  - (5) Record the date when the subscription was paid or requested next to each name listed on PS Form 3548-S or PS Form 3548-R. If it is a paid subscription, enter the amount paid. For other than requester publications, if the subscription price is nominal (less than half the subscription price), circle in red the amount paid.

- (6) For paid subscribers, classify each name as “Paid,” “Gift,” “Nonsubscriber,” “Expired More Than 6 Months,” “Expired Less Than 6 Months,” “Advertiser’s Proof Copy,” or “Nominal.” For requesters, classify each name as either “Requester” or “Nonrequester.” (For requester publications, all copies paid for, including nominal rate, qualify as valid requests. Copies paid at a nominal rate that are induced by a premium are not considered valid requester copies if the value of the premium is greater than the amount paid.)

Proof of payment consists of copies of checks or copies of canceled checks, cashbook entries, bank records, etc.

- (7) Take the number of copies found in the review for each category listed in item (6) above and convert that number to names sampled. (This result provides the estimated mail circulation of subscriber/requester copies.)

**Example:** The publisher reported 1,850 subscribers. Using a sample size of 25 names, you find:

21	Paid
2	Gift
0	Nonsubscriber
1	Expired less than 6 months
0	Expired more than 6 months
1	Advertiser’s proof copy
0	Nominal
25	TOTAL

Take each category and divide it by the number of names in the sample.

Paid:  $21 \div 25 \text{ samples} = 84.0\%$

Gift:  $2 \div 25 \text{ samples} = 8.0\%$

Nonsubscriber:  $0 \div 25 \text{ samples} = 0.0\%$

Expired < 6 months:  $1 \div 25 \text{ samples} = 4.0\%$

Expired > 6 months:  $0 \div 25 \text{ samples} = 0.0\%$

Advertiser’s proof copy:  $1 \div 25 \text{ samples} = 4.0\%$

Nominal:  $0 \div 25 \text{ samples} = 0.0\%$

- (8) Convert each percentage to two decimal places by dividing by 100, and then multiply the result by the total number of copies on the sampled publisher’s mailed distribution lists. This calculation gives you an estimated number of subscriber and nonsubscriber copies.

**Example:**

$1,850 \text{ names} \times .84 \text{ paid} = 1,554$

$1,850 \text{ names} \times .08 \text{ gift} = 148$

$1,850 \text{ names} \times .04 \text{ expired} < 6 \text{ months} = 74$

$1,850 \text{ names} \times .04 \text{ advertiser’s proof} = 74$

TOTAL = 1,850

(If the publication contains 34 display advertisements, then of the 74 advertiser copies, 34 are advertiser's proof copies, and the remaining 40 copies are gifts that are counted as free circulation.)

- (9) Transfer the estimated number of copies for each category above to PS Form 3548, Column B ("Verified Count"). Continue verifying all other items on PS Form 3548, using the publisher's records.

If it is necessary to fill out a second PS Form 3548, be sure to total the two forms to determine whether the publication is eligible for Periodicals rates.

You have now completed the verified count part of the review.

### 3-3 Step 3: Verify Copies on PS Form 3548

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Compare the subscriber/requester copies reported by the publisher on PS Form 3548 with the number determined by the verified count performed in 3-2.

- a. Check each entry on the form, using the results of the random sampling and source documents provided by the publisher (see 3-2).
- b. Check the review section of the form to ensure that the distributed copies and the undistributed copies equal the print order or press run. Make sure that items 1 ("Total Copies Mailed"), 2 ("Other Distribution"), and 3 ("Remaining Copies") match the total copies printed.
- c. Complete the distribution information (lines 1 through 18) as appropriate:
  - (1) Line 1: "Total Number of Direct Subscriptions (*Including gift subscriptions*).” Use this line to record all direct subscriptions, including gift subscriptions paid for at a rate above nominal rate (i.e., more than 50 percent of the subscription price).
  - (2) Line 2: "Total Number of Subscriptions as Part of Dues.” Use this line to record subscriptions that were paid from a portion of membership dues.

When subscriptions are part of a member's dues, the publisher must separate the subscription payment, at a rate above nominal, from the dues payment. Publishers must be able to show that subscriptions to their publications are voluntarily made, that the subscription price is paid, and that the relationship of the subscriber is fully understood and agreed to.

If members pay for subscriptions when paying dues in an organization, the organization's application, transmittal, and billing forms should include clauses that detail the subscription and dues payment, as shown in the following examples.

**Examples:**

I, \_\_\_\_\_, apply for membership in the [name of organization] and enclose \$\_\_\_\_\_ as my annual membership dues for the year \_\_\_\_\_. \$\_\_\_\_\_ of this amount is for a subscription to the [title of publication] for 1 year.

OR

I, \_\_\_\_\_, transmit my annual membership dues of \$\_\_\_\_\_ in the [name of organization] for the year \_\_\_\_\_. \$\_\_\_\_\_ of this amount is for a subscription to the [title of publication] for 1 year.

- (3) Line 3: "Total Number of Paid Subscriptions Through Agents." Use this line to record mailed subscriptions sold by agents, but do not include newsstand or over-the-counter sales.
- (4) Line 4: "Total Number of Direct Requests Including Internet and Telephone (Only for requester publications)." Use this line to record only authorized requester publications.

For eligibility review purposes, the publisher must maintain a source document for each requester copy. The source document shows the requester's signature and request date.

If the date is omitted, the postmark date is considered the date of the request. If the signature is omitted, the request is not valid.

Acceptable requester records include the following:

- (a) **Signed change of address records.**
- (b) **All paid subscriptions.** These subscriptions, including those at nominal rate, are acceptable if verified with a source document and a financial payment record.
- (c) **Subscriptions and membership dues.** These subscriptions are obtained in conjunction with the payment of membership dues or contributions and the resolutions passed by the membership organization (only when the organization is the publisher) that specify that each member will receive a copy of each issue of the publication.
- (d) **Requests for copies in bulk.** Bulk requests are generally not valid, except when submitted by an employer on behalf of its employees. To be valid, requests from employers must specify the employees (by name or position in the organization) who are to receive the copies of the publication.
- (e) **Forms for requesting multiple publications.** Publishers may use forms that solicit requests for several publications if the requester indicates the publication requested.



- (f) **Records of telephone solicitations.** Requests obtained by telephone solicitation must have a traceable record that substantiates the requests. At a minimum, these records must include the following information:
1. Requester's name, address, and telephone number.
  2. Telephone solicitor's signature.
  3. Interview date.
  4. Copy of the text used by the telephone solicitor in the interview.

If telephone requests are not substantiated by a business reply mail system or similar technique of obtaining the requester's signature, PS Form 3845, *Annual Verification of Circulation*, may be used for substantiating randomly selected requests at the time of the eligibility review. A letter from the publisher may also be used (contact your RCSC for information).

**Note:** As an alternative to having the Postal Service verify requests obtained by telephone or the Internet, the publisher may elect to contract with an authorized audit bureau to review such requests. See 3-5.

- (5) Line 5: "Single Copies Sold Over Counter, Coin Machines, Street Vendors." Use this line to record single copies sold.

The publisher must have records to substantiate such sales before they may be counted as paid subscribers.

- (6) Line 6: "Copies Furnished to News Agents and Dealers."

- (a) "With Return Privilege." Count all copies with return privileges. Then subtract the number of copies returned to the publisher. (If the news agent or dealer has return privileges, the publisher must have records showing the number of copies returned.) Record the results in the top section of line 6. Record the returned copies in line 16, since they are considered undistributed copies.

Only the actual number of copies sold is listed in Column A ("Publisher's Count") and Column B ("Verified Count"). These are the only copies that may count in the paid circulation calculations.

- (b) "Without Return Privilege." Count all copies without return privileges as paid circulation if the publisher produces records to show that the news agent or dealer paid a rate above nominal for them. Record this number in the bottom section of line 6.

- (7) Line 7: "Copies Purchased in Bulk Other Than News Agents and Dealers/Bulk Requests (*Not invariably paid*)."
- Use this line to record copies paid for in bulk by companies and other organizations for use by their own employees or members.

Evidence of this may consist of lists of recipients by name or position within the company or organization. These copies are considered paid circulation.

Copies bought in bulk by hotels, restaurants, or similar establishments for free distribution to their patrons are not paid circulation and must be recorded on line 13.

- (8) Line 8: "Other Requested Copies." Use this line for requester publications to record requester copies in bulk (including copies paid for at a nominal rate) made for specific persons.

These copies are usually group requests or bulk orders to companies or organizations made by employers at those companies or organizations.

To be valid, these requests must specify the employees (by name or position in the company or organization) who are to receive the copies of the requester publication.

- (9) Line 9: "Advertiser Proof Copies (*No more than one copy per advertiser*)." Use this line to record advertiser copies.

No more than one copy to each advertiser may be considered part of the paid circulation. If the publisher's records show that more than one copy is sent to an advertiser, record the additional copies as free copies in line 13.

- (10) Line 10: "Exchange Copies." Use this line to record copies that the publisher sends to other publishers in return for copies of their publications. (Only one copy per publisher is counted as paid/requested circulation.)

- (11) Line 11: "Other Paid Circulation (Specify)." Use this line to specify paid circulation not otherwise covered in lines 1 through 10. Record any subscriber copies delivered other than through the mails. If you make an entry on this line, specify how the circulation qualifies for paid circulation.

- (12) Line 12: "Total Paid/Requester Circulation (Lines 1 through 11)." Add the figures on lines 1 through 11 and record the total on this line.

- (13) Line 13: "Nonsubscriber or Nonrequester Copies." Use this line to record copies that are samples to be distributed to persons who have not paid for or requested copies. Categorize and record these copies in the first six sections of line 13 as follows:

- (a) **Section a:** "Mail Samples." Record here any free copies circulated through the mails that are not paid above nominal or not requested.
- (b) **Section b:** "Requests Induced by Premium Offer or Other Material Consideration." Record here requester copies sent in response to premium offers or other material considerations. Publishers of requester publications are prohibited from obtaining requesters by these methods. Requester copies induced by these methods must be counted as free circulation.

- (c) **Section c:** “Nominal Rate (*Except requester publication*).” Record here copies sold at a nominal rate (i.e., for less than half the subscription price). Paid subscriptions are not valid if sold at a nominal rate. Count these publications as free circulation.
- (d) **Section d:** “Carrier Samples.” Record here sample copies sent at no charge to private carriers for distribution to persons who have not paid for or requested the copies.
- (e) **Section e:** “Expired Subscriptions/Requests.” Record here any expired subscriptions or requests.
- For expired subscriptions, publishers may continue to mail copies at the Periodicals rates for up to 6 months after the expiration date. Expired subscriptions must be reported as sample copies on the postage statement. For requests, publishers may mail copies at the Periodicals rates up to 3 years after the date specified on the request.
- Do not consider the names for these expired subscriptions as paid subscribers when determining the percentage of paid circulation. Count these copies as free circulation.
- Requests are no longer valid after 3 years from the date of the request, unless a shorter period is specified by the requester. Count these copies as free circulation.
- (f) **Section f:** “Other.” Record here any other nonsubscriber or nonrequester copies (for example, copies given free at a trade show), and specify how the copies are given away.
- (g) **Section g:** “Total Nonsubscriber or Nonrequester Copies (*Sum of lines 13a through 13f*).” Add the subtotals in sections a through f and record the total in this section.
- (14) Line 14: “Total Distribution (*Sum of lines 12 and 13*).” Add the subtotals on lines 12 and 13 and record the total on this line.
- This total is the paid/requested circulation plus the circulation not considered paid/requested.
- (15) Line 15: “Copies Furnished to News Agents and Not Sold (*Returned or destroyed*).” Use this line to record all unsold copies sent to news agents with return privileges. Record only the unsold copies returned by news agents or those documented as returned or destroyed.
- (16) Line 16: “Office Copies, Spoiled Checking Copies, etc.” Use this line to record the number of copies kept by the publisher.
- The publisher must have records to document the number of copies or the actual copies on hand or destroyed.
- (17) Line 17: “Total Production (*Sum of lines 14, 15, and 16*).” Add the figures on lines 14, 15, and 16 and record the total on this line.
- This total must match the press run.

- (18) Line 18: "Percent Paid/Request Circulation (Line 12 divided by line 14)." Calculate the percentage of circulation by dividing the total paid or requested circulation by the total distribution.

For Periodicals privileges, this result must be 50 percent or more.

## 3-4 Step 4: Calculate Paid/Requested Circulation

After verifying the number of subscriber/requester copies, calculate the percentage of paid/requested circulation and record it on line 18 of PS Form 3548. (If you had to fill out a second PS Form 3548 for the alternate distribution because the number of copies delivered by alternate delivery methods was substantial, add the total from line 18 of each PS Form 3548.) Determine which final steps to take based on the percentage as follows:

- a. *50 percent or more:* If the paid/requested circulation is 50 percent or more, the publisher meets the eligibility requirements.
- Check to see whether the number of nonsubscriber/nonrequester copies (lines 13a, 13b, 13c, and 13e) exceeds 10 percent of the total number of mailed subscriber/requester copies shown on the front side of PS Form 3548 under the review section (total of items 1, 2, and 3). If the percentage exceeds 10 percent, the publication might not be eligible for preferred rates, and nonsubscriber/nonrequester mailed copies must be included in commingled mailings to be eligible for regular rates. (Copies in excess of 10 percent that are not commingled with subscriber copies are subject to Standard Mail rates of postage.) The review is complete. Sign PS Form 3548 and retain it in the publisher's Periodicals folder at the original entry office.
- b. *Less than 50 percent:* If the percentage of paid/requested circulation is less than 50 percent, the publisher does not meet the eligibility requirements. Discuss your findings with the publisher and do the following as required:
- (1) Send the publisher a certified letter with return receipt requested that explains your findings during the review, along with a copy of the applicable Periodicals standards in the *Domestic Mail Manual* (DMM). (The publisher must receive a written explanation of which requirements are not being met.) Include all copies of PS Form 3548 and PS Form 3548-S or PS Form 3548-R, as appropriate.
  - (2) Give the publisher 15 calendar days from the receipt of the letter to provide evidence that 50 percent or more of the total copies distributed are sent to persons who have paid or requested the copies. Advise the publisher that failure to provide such evidence will initiate a revocation action of the Periodicals mailing authorization for the publication.
  - (3) If the publisher does not provide the necessary evidence to prove that the publication meets the 50 percent paid/requester requirement, forward all review documentation and any other supporting documentation that you have to the RCSC serving your area to begin the revocation process.

## 3-5 Audit Bureau Review of Telemarketing and Internet Requests

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As an alternative to having the Postal Service verify requests obtained by telephone or the Internet, the publisher may elect to contract with an authorized audit bureau to review such requests.

- a. If the authorization is for a new publication, the publisher submits PS Form 3511, *Application for Periodicals Mailing Privileges (Requestor)*, to the post office serving the original entry office.
- b. The Postal Service schedules a review (for new application or annual verification).
- c. The Postal Service asks the publisher how subscriptions are obtained from among the following:
  - (1) Written.
  - (2) Internet.
  - (3) Telemarketing.
- d. If subscriptions are obtained from the Internet or telemarketing, the Postal Service gives the publisher the following options for validating requests:
  - (1) PS Form 3845. If the publisher chooses this option, turn to 3-3c(4).
  - (2) Publisher's letter. If the publisher chooses this option, contact the RCSC for the format of the letter.
  - (3) An independent audit through an audit bureau approved by the Postal Service.
- e. If the publisher chooses the third option, an independent audit through an audit bureau, then proceed as follows:
  - (1) The postmaster or designee selects 100 names at random. Use skip interval procedures described in 3-2c.
  - (2) The postmaster or designee gives the names to the publisher, along with the name, address, and telephone number of the postal contact, and retains a copy.
  - (3) The publisher provides the postmaster or designee with documentation that validates direct requests.
  - (4) The publisher contacts the audit bureau and enters into an arrangement for the independent review.
  - (5) The publisher gives the audit bureau the following required subscriber information:
    - (a) Name, address, and telephone number.
    - (b) Email address.
    - (c) Source of subscription (telephone or Internet).

- (d) Date of request.
- (e) Optional: Personal identifier (e.g., mother’s maiden name, name of high school, etc.).
- (6) Within 30 days, the audit bureau gives the postmaster a report showing the following:
  - (a) Number of requests.
  - (b) Number of nonrequests.
  - (c) Number of no contacts.
- f. The audit bureau uses the following guidelines when attempting verification:
  - (1) A 100-percent attempt ratio is required. (The audit bureau must attempt to contact all of the names provided.)
  - (2) A minimum of two attempts for each subscription is required, unless the subscriber is contacted on the initial attempt.
  - (3) After two rounds of attempted contacts, if 50 percent or more of all subscribers have been contacted, then no further attempts are necessary.
  - (4) If less than 50 percent have been contacted after two rounds of attempted contacts, then additional rounds of attempted contacts are made until the 50-percent contact ratio is attained.
  - (5) A 50-percent contact ratio is required to validate these requests. *The audit bureau must continue to make contacts until it reaches 50 percent, no matter how many rounds it takes, in order for the audit to be recognized by the Postal Service.*
- g. The audit bureau sends the results of the audit to the Postal Service. The postmaster or designee uses the results to calculate the percentage of valid requests, based on the results of the audit bureau report plus the number of valid written requests, but ignoring the number of no contacts. An example of an audit is provided in Exhibit 3-5.

Exhibit 3-5

**Audit Bureau Example**

A total of 100 names are sampled, as follows:

<b>Number/Category</b>	<b>Yes (Requester)</b>	<b>No (Nonrequester)</b>	<b>No Contact</b>
42 Internet	28	2	12
58 Others	32	26	0

Total “yes” contacts: 60.

Total of names sampled (100) less no contacts (12):  $100 - 12 = 88$  sample names.

Total “yes” contacts (60) divided by sample names (88):  $60/88 = 68\%$  valid requests.

## Appendix A

# PS Form 3526

A copy of PS Form 3526, *Statement of Ownership, Management, and Circulation*, appears in this appendix. You may reproduce this form locally and use it when conducting Periodicals eligibility reviews.

PS Form 3526 is accessible on the corporate intranet at <http://blue.usps.gov> (click on *Information*, then *Policies and Procedures*, then *Forms*, then either *Alphabetical List By Title* or *Numerical List*, and then scroll down to PS Form 3526). It is also available on the Internet at <http://www.usps.com> (click on *Forms*, then *Periodicals*, and then scroll down to PS Form 3526).

Check the Postal Service web sites for the current edition of PS Form 3526.

United States Postal Service

### Statement of Ownership, Management, and Circulation

1. Publication Title	2. Publication Number <table border="1" style="width:100%; border-collapse: collapse; text-align: center;"> <tr> <td style="width:5%;"> </td><td style="width:5%;"> </td><td style="width:5%;"> </td><td style="width:5%;"> </td><td style="width:5%;"> </td><td style="width:5%;"> </td><td style="width:5%;"> </td><td style="width:5%;"> </td><td style="width:5%;"> </td><td style="width:5%;"> </td><td style="width:5%;"> </td><td style="width:5%;"> </td><td style="width:5%;"> </td><td style="width:5%;"> </td><td style="width:5%;"> </td><td style="width:5%;"> </td><td style="width:5%;"> </td><td style="width:5%;"> </td><td style="width:5%;"> </td><td style="width:5%;"> </td> </tr> <tr> <td colspan="11">-</td> <td colspan="9"> </td> </tr> </table>																					-																				3. Filing Date
-																																										
4. Issue Frequency	5. Number of Issues Published Annually	6. Annual Subscription Price																																								
7. Complete Mailing Address of Known Office of Publication (Not printer) (Street, city, county, state, and ZIP+4)		Contact Person																																								
		Telephone																																								
8. Complete Mailing Address of Headquarters or General Business Office of Publisher (Not printer)																																										
9. Full Names and Complete Mailing Addresses of Publisher, Editor, and Managing Editor (Do not leave blank)																																										
Publisher (Name and complete mailing address)																																										
Editor (Name and complete mailing address)																																										
Managing Editor (Name and complete mailing address)																																										
10. Owner (Do not leave blank. If the publication is owned by a corporation, give the name and address of the corporation immediately followed by the names and addresses of all stockholders owning or holding 1 percent or more of the total amount of stock. If not owned by a corporation, give the names and addresses of the individual owners. If owned by a partnership or other unincorporated firm, give its name and address as well as those of each individual owner. If the publication is published by a nonprofit organization, give its name and address.)																																										
Full Name	Complete Mailing Address																																									
11. Known Bondholders, Mortgagees, and Other Security Holders Owring or Holding 1 Percent or More of Total Amount of Bonds, Mortgages, or Other Securities. If none, check box <input type="checkbox"/> None																																										
Full Name	Complete Mailing Address																																									
12. Tax Status (For completion by nonprofit organizations authorized to mail at nonprofit rates) (Check one) The purpose, function, and nonprofit status of this organization and the exempt status for federal income tax purposes: <input type="checkbox"/> Has Not Changed During Preceding 12 Months <input type="checkbox"/> Has Changed During Preceding 12 Months (Publisher must submit explanation of change with this statement)																																										

PS Form 3526, October 1999 (See Instructions on Reverse)



13. Publication Title		14. Issue Date for Circulation Data Below	
<b>Extent and Nature of Circulation</b>		<b>Average No. Copies Each Issue During Preceding 12 Months</b>	<b>No. Copies of Single Issue Published Nearest to Filing Date</b>
a. Total Number of Copies (Net press run)			
b. Paid and/or Requested Circulation	(1) Paid/Requested Outside-County Mail Subscriptions Stated on Form 3541. (Include advertiser's proof and exchange copies)		
	(2) Paid In-County Subscriptions Stated on Form 3541 (Include advertiser's proof and exchange copies)		
	(3) Sales Through Dealers and Carriers, Street Vendors, Counter Sales, and Other Non-USPS Paid Distribution		
	(4) Other Classes Mailed Through the USPS		
c. Total Paid and/or Requested Circulation (Sum of 15b. (1), (2), (3) and (4))		▶	
d. Free Distribution by Mail (Samples, complimentary, and other free)	(1) Outside-County as Stated on Form 3541		
	(2) In-County as Stated on Form 3541		
	(3) Other Classes Mailed Through the USPS		
e. Free Distribution Outside the Mail (Carriers or other means)			
f. Total Free Distribution (Sum of 15d. and 15e.)		▶	
g. Total Distribution (Sum of 15c. and 15f.)		▶	
h. Copies not Distributed			
i. Total (Sum of 15g. and h.)		▶	
j. Percent Paid and/or Requested Circulation (15c. divided by 15g. times 100)			
16. Publication of Statement of Ownership <input type="checkbox"/> Publication required. Will be printed in the _____ issue of this publication. <input type="checkbox"/> Publication not required.			
17. Signature and Title of Editor, Publisher, Business Manager, or Owner			Date
<p style="font-size: small;">I certify that all information furnished on this form is true and complete. I understand that anyone who furnishes false or misleading information on this form or who omits material or information requested on the form may be subject to criminal sanctions (including fines and imprisonment) and/or civil sanctions (including civil penalties).</p>			
<p><b>Instructions to Publishers</b></p> <ol style="list-style-type: none"> <li>1. Complete and file one copy of this form with your postmaster annually on or before October 1. Keep a copy of the completed form for your records.</li> <li>2. In cases where the stockholder or security holder is a trustee, include in items 10 and 11 the name of the person or corporation for whom the trustee is acting. Also include the names and addresses of individuals who are stockholders who own or hold 1 percent or more of the total amount of bonds, mortgages, or other securities of the publishing corporation. In item 11, if none, check the box. Use blank sheets if more space is required.</li> <li>3. Be sure to furnish all circulation information called for in item 15. Free circulation must be shown in items 15d, e, and f.</li> <li>4. Item 15h, Copies not Distributed, must include (1) newsstand copies originally stated on Form 3541, and returned to the publisher, (2) estimated returns from news agents, and (3), copies for office use, leftovers, spoiled, and all other copies not distributed.</li> <li>5. If the publication had Periodicals authorization as a general or requester publication, this Statement of Ownership, Management, and Circulation must be published; it must be printed in any issue in October or, if the publication is not published during October, the first issue printed after October.</li> <li>6. In item 16, indicate the date of the issue in which this Statement of Ownership will be published.</li> <li>7. Item 17 must be signed.</li> </ol> <p style="font-size: small;"><b>Failure to file or publish a statement of ownership may lead to suspension of Periodicals authorization.</b></p>			
PS Form 3526, October 1999 (Reverse)			


## Appendix B

# PS Form 3548

A copy of PS Form 3548, *Review and Verification of Circulation*, appears in this appendix. You may reproduce this form locally and use it when conducting Periodicals eligibility reviews.

PS Form 3548 is available from the material distribution center. It is also accessible on the corporate intranet at <http://blue.usps.gov> (click on *Information*, then *Policies and Procedures*, then *Forms*, then either *Alphabetical List By Title* or *Numerical List*, and then scroll down to PS Form 3548).

Check the corporate intranet for the current edition of PS Form 3548.

		<b>Review and Verification of Circulation</b>	
<b>Publication Title</b> _____		<b>Publication Number</b> _____ - _____	
<b>Issue Frequency</b> _____		<b>Issue Verified</b> _____	
<b>Authorization Section</b> _____	<b>Type of Advertising Authorized</b> <input type="checkbox"/> General <input type="checkbox"/> Pub Only <input type="checkbox"/> None	<b>Contact Name and Telephone Number</b> _____	<b>Date</b> _____
<b>Review</b>			
<b>Print Order or Press Run (Total copies printed)</b> _____		1. Total Copies Mailed _____ 2. Other Distribution _____ 3. Remaining Copies _____ <b>Total (1 + 2 + 3)</b> _____	
Note: Total of items 1, 2, and 3 must equal the print order or press run.			
<b>Distribution Information</b>		<b>(A) Publisher's Count</b>	<b>(B) Verified Count</b>
1. Total Number of Direct Subscriptions (Including gift subscriptions)			
2. Total Number of Subscriptions as Part of Dues			
3. Total Number of Paid Subscriptions Through Agents			
4. Total Number of Direct Requests Including Internet and Telephone (Only for requester publications)			
5. Single Copies Sold Over Counter, Coin Machines, Street Vendors			
6. Copies Furnished to News Agents and Dealers	With Return Privilege <small>(Report returned copies in line 75)</small>	Total Sold ▶	
	Without Return Privilege	Total Sold ▶	
7. Copies Purchased in Bulk Other Than News Agents and Dealers/Bulk Requests (Not invariably paid)			
8. Other Requested Copies			
9. Advertiser Proof Copies (No more than one copy per advertiser)			
10. Exchange Copies			
11. Other Paid Circulation (Specify)			
12. Total Paid/Requester Circulation (Lines 1 through 11) ▶			
PS Form 3548, April 2000			

Distribution Information		(A) Publisher's Count	(B) Verified Count
12. Total Paid/Requester Circulation From Side One ▶			
13. Nonsubscriber or Nonrequester Copies	a. Mail Samples		
	b. Requests Induced by Premium Offer or Other Material Consideration		
	c. Nominal Rate (Except requester publication)		
	d. Carrier Samples		
	e. Expired Subscriptions/Requests		
	f. Other		
	g. Total Nonsubscriber or Nonrequester Copies (Sum of lines 13a through 13f) ▶		
14. Total Distribution (Sum of lines 12 and 13) ▶			
15. Copies Furnished to News Agents and Not Sold (Returned or destroyed)			
16. Office Copies, Spoiled Checking Copies, etc.			
17. Total Production (Sum of lines 14, 15, and 16) ▶			
18. Percent Paid/Request Circulation (Line 12 divided by line 14)			
Comments (For publisher's use)			
<p>I certify that all information furnished on this form is true and complete. I understand that anyone who furnishes false or misleading information on this form or who omits material information requested on the form may be subject to criminal sanctions (including fines and imprisonment) and/or civil sanctions (including multiple damages and civil penalties).</p>			
Signature of Publisher or Representative		Title	Date
<p><b>X</b></p> <p>Comments (For USPS use)</p>			
Verification Performed By		Telephone Number (include area code)	
PS Form 3548, April 2000 (Reverse)			

## Appendix C

# PS Form 3548-R

A copy of PS Form 3548-R, *Verification of Names on Requesters List*, appears in this appendix. You may reproduce this form locally and use it when conducting Periodicals eligibility reviews.

PS Form 3548-R is accessible on the corporate intranet at <http://blue.usps.gov> (click on *Information*, then *Policies and Procedures*, then *Forms*, then either *Alphabetical List By Title* or *Numerical List*, and then scroll down to PS Form 3548-R).

Check the corporate intranet for the current edition of PS Form 3548-R.



**Verification of Names on Requesters List**

Publication Title  	Issue Verified  	Performed by  
		Date  

Skip No.	Name and Address	Date and Type of Request									Nonrequester
		Date	Adv.	Exch.	Bulk	Paid	Internet	Telephone	Direct Request	Other	

PS Form **3548-R**, April 2000

## Appendix D

# PS Form 3548-S

A copy of PS Form 3548-S, *Verification of Names on Subscribers List*, appears in this appendix. You may reproduce this form locally and use it when conducting Periodicals eligibility reviews.

PS Form 3548-S is accessible on the corporate intranet at <http://blue.usps.gov> (click on *Information*, then *Policies and Procedures*, then *Forms*, then either *Alphabetical List By Title* or *Numerical List*, and then scroll down to PS Form 3548-S).

Check the corporate intranet for the current edition of PS Form 3548-S.

