P900 Special Postage Payment Systems

P920 Optional Procedure (OP) Mailing System

Summary P920 describes basic information and authorization requirements for optional procedure mailings.

1.0 BASIC INFORMATION

Description
1.1 An OP Mailing System is a method of verifying and accepting First-Class Mail, Standard Mail, and Package Services paid by permit imprint. Mailings may consist of identical-weight or nonidentical-weight pieces. The OP Mailing System reviews a mailer's financial, production, and other business records in lieu of standard weight verification procedures. Postage verification is normally completed by a USPS audit of business records kept by the mailer. A USPS audit is designed to detect underpayment of postage. The burden rests with the mailer to prove any overpayment of postage.

General Qualification
1.2 An OP Mailing System is authorized and renewed in 2-year intervals when all of the following conditions are met:

a. The mailer's plant is operating and mailing when the application is submitted.

b. The mailer's records provide a sound audit trail that ensures proper postage is collected.

c. Mailings qualify as permit imprint mailings under the applicable standards.

d. The administering post office or district can provide trained, qualified employees during the mailer's hours of mailing operations.

Quality Control
1.3 The mailer must implement a documented quality control program that ensures integrity of the system, accuracy and proper maintenance of OP records, eligibility of the mailings prepared for the postage rates claimed, and ability to take corrective actions.

Service Agreement
1.4 A service agreement must be signed by the mailer, the postmaster, the district manager, and the Business Mailer Support (BMS) manager before the first OP mailing is presented. Before the service agreement is finalized the mailer must submit an OP Mailing System application and that application must be approved under the procedures in 2.0. The agreement must set forth, among other things, the mailing information described in 2.3 and 2.4.

2.0 AUTHORIZATION

Application
2.1 The mailer must submit an OP Mailing System application to the postmaster at the office of mailing. Publication 407, *Optional Procedure (OP) Mailing System*, available through business mail entry units and www.usps.com, contains an application and detailed information about mailer standards, responsibilities, and qualifying criteria. The mailer must submit, as part of the application, a complete sample job with all records to be part of the audit trail identified and labeled; a detailed explanation of how each record supports the number of pieces and presort level rate of postage claimed on the postage statements; and a detailed description of current internal quality control procedures as they relate to production and presentation of mailing.

Business Mailer Support Action
2.2

The Business Mailer Support (BMS) manager, USPS Headquarters, approves or denies applications for optional procedure.

Approval
2.3

When the application is approved, a written service agreement is signed between the USPS and the mailer to specify the types of mailings that may be mailed under the OP Mailing System (e.g., the classes of mail, processing categories, permit numbers to be used, and whether the mailer is authorized to mail identical-weight and/or nonidentical-weight pieces).

Denial
2.4

If the application is denied, the denial is effective 15 days from the mailer's receipt of the notice unless, within that time, the mailer files a written appeal with the BMS manager. The appeal must present additional information explaining why the OP application should be approved. If the manager still finds that the application should be denied, the file is forwarded to the Business Mail Acceptance manager, Postal Service Headquarters, who will issue a final agency decision to the mailer.

Changes
2.5

If the mailer proposes to change the method of presenting or documenting mailings from that specified in the agreement, or the mailer is no longer able to comply with the standards that apply to the authorization, the mailer must immediately notify the BMS manager, through the postmaster of the administering post office. The BMS manager will notify the mailer in writing if the OP agreement should be modified, continued, or canceled.

Additions or Modifications to the Service Agreement
2.6

If the mailer requests additional options or modifications to the OP agreement, the mailer must submit a written request to the BMS manager stating the requested change or modification and complete documentation supporting each change or modification. The mailer's request must be submitted before the change or modification is made. Changes to the OP service agreement cannot be made until the BMS manager has notified the mailer in writing that the changes or modifications have been approved and an addendum is added to the OP service agreement.

Postal Service Suspension
2.7

The BMS manager may suspend an OP Mailing System at any time, pending review, when there is an indication that postal revenue is not fully protected. The BMS manager will notify the mailer in writing of the decision. The suspension becomes effective upon the mailer's receipt of the notification.

Mailer Cancellation
2.8

The mailer may cancel an OP Mailing System authorization at any time by written notice to the administering post office.

Postal Service Cancellation
2.9

The USPS may cancel an OP Mailing System authorization if:

a. The mailer provides misleading or incorrect data to avoid paying postage, makes no mailings under the OP agreement during any consecutive 12-month period, or routinely fails to comply with the OP agreement or the standards applicable to the OP Mailing System.

b. The 2-year renewal audit reveals that the OP agreement should no longer be authorized or the mailer is not complying with the agreement.

Cancellation Notice and Appeal
2.10

The cancellation takes effect 15 days from the mailer's receipt of the notice unless, within that time, the mailer files a written appeal with the BMS manager. The appeal must present additional information explaining why the OP Mailing System authorization should not be canceled. If the BMS manager does not uphold the appeal, the appeal, the additional information, and the complete record underlying the initial decision to cancel the authorization are forwarded to the Business Mail

Acceptance manager, USPS Headquarters, who issues the final agency decision to the mailer.

3.0 RECORDS

Mailer Responsibility
3.1 The mailer must submit accurate postage statements and keep accurate records. The mailer must prepare a complete record for each mailing, label all component records as they are created with the mailing (and/or order) to which they relate, and keep it at a central location for 1 year. Records used for verification of OP mailings must be records that are also routinely kept for production of other than OP mailings.

Mailer Running Summary
3.2 The mailer must maintain a running summary of mailings made to the USPS. The summary must include the permit number, date of mailing, postage statement sequence number, total pieces, weight of a single piece (or weight ranges of nonidentical-weight pieces), and the total weight and total postage for each mailing. For plant-verified drop shipment (PVDS) mailings the grand totals from the consolidated postage statement are entered on the summary.

Contents
3.3 Each mailing record must contain a sample of the mailpiece, the corresponding postage statement, and source documents required for the audit trail as specified in the mailer's OP agreement.