

Latest Update to “Move Update”

As we previously reported (*IB 81*), the Postal Service has postponed the date of imposing sanctions for noncompliance with Move Update standards to January, 2010. And they have now -- for the third time -- updated their “Mailer Advisement Policy.” The newest version is posted on the ADRFCO website. We’ll go with the glass-half-full option and label this “being responsive to the mailing community.”

A summary of where things stand:

- Mailers are entitled to pre-sort discounts only if they comply with the new Move Update standards
- For mailings that fail to pass verification of Mail Update, the sanction (\$0.07 per assessed piece) will be calculated based only on the percentage of failed pieces in excess of the tolerance (30%) times the total number of pieces in the mailing.
- The only requirement for entry of mail is the mailer’s certification *on the 3602* that it has performed a complying Move Update process. Postage statements have been revised to provide checkboxes to indicate which method the mailer used to obtain COA information.
- The USPS still reserves the right to institute a postage deficiency assessment if audit or other processes show that a mailer did not carry out Move Update procedures (we think this means: “if you don’t tell us the truth, we reserve the right to come get you”).
- The USPS is providing Move Update verification reports to mailers using the MERLIN system. The purpose is to provide them feedback about the quality of

their Move Update processes. Starting in January, these will be used to evaluate the effectiveness of Move Update compliance and to assess additional postage costs if necessary.

USPS announced two webinars on Move Update which will provide information on Move Update standards and on the changes effective in January. The first webinar will be held on September 9th from 1-3pm and will be repeated on September 15th from 1-3pm. Please see <http://ribbs.usps.gov/index.cfm?page=moveupdate> for information on how to participate.

State of the USPS

As we all know, this past year has not been good to the Postal Service. As announced on August 5th, the Postage Service ended its third quarter of the fiscal year (April 1 – June 30) with a net loss of \$2.4 billion. The projected year-end net loss is more than \$7 billion. The August 5th press release is included here. It contains more of the grim detail about the current situation. Among the compounding factors affecting USPS profitability are electronic mail diversion, the recession, and its obligation to pay over \$5 billion yearly to prefund their retiree health benefits.

As reported in their August 25th press release, they are trying to mitigate their losses through cost-cutting actions. They have negotiated with two of its employee unions to encourage select employees to resign or retire by the end of the year, cut over 100 million work hours, and closed under-utilized post offices. This press release is also included.

ADRFCO in MTAC?

After many fits and starts, ADRFCO has applied to USPS to become a formal member of the

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Mailers' Technical Advisory Council (MTAC). MTAC meets quarterly and is the Service's formal means of sharing information with (and more important, *receiving feedback from*) its customers. MTAC members are largely umbrella organizations representing some component of the mailing community.

Nonprofits are represented at MTAC by Alliance of Nonprofit Mailers, DMA Nonprofit Federation, and National Catholic Development Conference. Nevertheless, we made the case that ADRFCO is uniquely situated to represent the interests of fundraising on MTAC (a copy of our letter is enclosed).

If ADRFCO is selected for membership, we will be taking on a substantial obligation. Annual dues (presently \$850) are a significant expense for us. Also, two representatives from among our membership will be expected to attend the quarterly day-long meetings. These can be arduous, to say no more.

We believe that the closer contact with Postal management, planning, and processes that MTAC affords will make the investment worthwhile. It will keep us better informed and, more to the point, will enable us to better serve our clients.

We would welcome your questions or comments (with one proviso: please -- however tempted -- edit out any references to "deck chairs" or "Titanic").

"Personalization" Reminder

Last fall, your editor received an acknowledgement of a contribution --via standard rate mail -- in an envelope bearing teaser copy along the lines of "Important Tax Information Inside." This came from a very large, well-known organization with an experienced fundraising staff and an excellent outside consultant (an ADRFCO member in fact).

What was wrong with that picture? Maybe you have it, more or less, and maybe you don't. But either way, consider refreshing your recollection at <http://pe.usps.com/text/CSR/PS-323.htm>.

With year-end mailings being organized -- and efficiencies being sought everywhere -- now is a good time to remind your staffs (and clients) of a subtle trap. PS-323 is the USPS customer support ruling (CSR) that clarifies when personalized information, such as amounts of previous contributions, can be mailed at standard nonprofit rates (rather than at first class rates).

Here's the punch line: while recitation of previous gift amounts is okay (including, e.g., total giving for the year), the inclusion of certain forbidden words and phrases would automatically make the letter ineligible for standard rates (among them "tax receipt," "Receipt," and "Keep this for your records."). Consult the CSR for a fuller explanation.

